

MAKE THIS THE
LAST WAR

The Future of the United Nations

MICHAEL STRAIGHT

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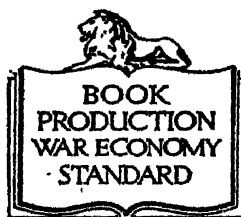


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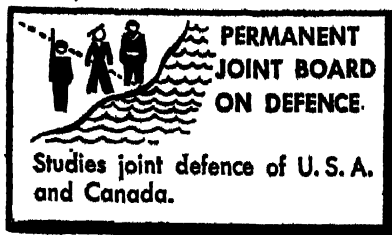
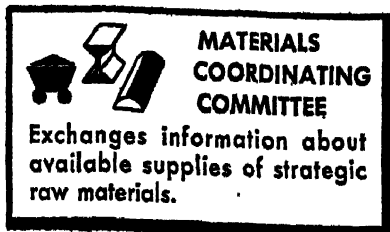
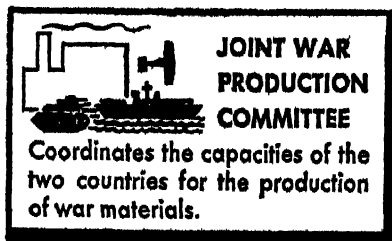
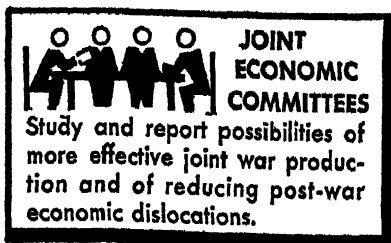
FOR JOHN CORNFORD

and all the young men who have given
and will give the last full measure
of their devotion in this struggle
for the liberation of all mankind

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INTRODUCTION

I AM very glad to have the opportunity of introducing Michael Straight's book to the British public—partly because I know and admire the author, but mainly because his book is a good book which deserves the widest possible circulation.

There has been a growing realization in the last years of the overshadowing fact of our time that we are living in perhaps the greatest revolution of history, and that the war is but a symptom and a component of that revolution. Men like Peter Drucker, E. H. Carr, James Burnham and Herbert Agar have each in their own way presented us with studies of the nature of the revolutionary process and emphasized this or that implication of it. But I know of no book which so clearly brings out how winning the war is entangled with achieving the revolution, and more than that, how efficiency and speed in waging the war can help in achieving the revolution in a democratic and not in a totalitarian way.

Neither do I know any book of the sort which combines so much factual documentation with such a sense of urgency and crusade. Michael Straight is no intellectualist afraid of his emotions or of appealing to the spiritual forces latent in humanity. He would passionately agree with Mr. Agar that this is a time for greatness. But he knows, too, that passion and belief are not enough; that we need also the cold designs of reason and the most carefully planned machinery. And finally he understands that, though the principles for which we are fighting are in a sense eternal, yet they need to be given a new, concrete expression if they are to be more than empty generalities and are to exert an effect on the course of events.

In this book you will find accounts of the pooling of national research and experience that has gone into the construction of the latest tank; of new administrative devices such as the Middle East Supply Council; of the social and political trends at work in China; of the progress of industrialization in the non-industrial countries; of the full significance of our British rationing system. You will find a comparison of the ways in which Britain and the U.S.A. have adapted their organisms to the demands of total war; an analysis of the relevance of the profit motive to efficiency; a statement of the principles underlying the affirmative society, as the author calls the new type of organization that

is emerging out of *laissez-faire* in the industrial nations; a survey of imperialism, disguised as well as overt, and its necessary transformation from an exploiting to a developing and co-operative phase.

Above all, you will find yourself being shown new relations between these and other elements in the present situation, until its apparent chaos begins to take shape, and you begin to see it as a whole, a single movement forced on towards its climax by the very pressure of the conflicts within it. There are two major conflicts to be resolved. One is whether to go forward or to hold back; in other terms, to plan or not to plan. The other is whether power or welfare comes first; in other words the conflict between overt or disguised Fascism and a true and universal democracy. You will be brought to see the urgency of the situation. Time, if it was ever on our side, is so no longer: speed is of the essence of our contract with destiny.

So it is as a fresh and full-scale and compelling picture of the revolution in which, whether we like it or not, we are all actors, that I commend Michael Straight's book to British readers.

* * *

This is not to say that I necessarily agree with all the author's conclusions. In regard to the colonies and India in particular, he seems to me not to be aware of some of the aspects of the problem, or of the constructive new policies that have been taking shape in Britain in regard to the dependent Empire.

In conclusion, let me remind readers that *Make This the Last War* was written early in 1942, and first published in the United States late in that year. It thus cannot help being a little out of date with reference to various events, alike in the military, supply, and political fields. But this does not alter the book's essential relevance to the present situation.

JULIAN HUXLEY

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PART ONE

THE NEED FOR A NEW VISION

"Either war is a crusade, or it is a crime. There is no halfway house."

E. H. TAWNEY

CHAPTER ONE

THE NEED FOR A NEW VISION

I

At the crisis of the Civil War, Abraham Lincoln addressed the American Congress:

The dogmas of a quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise with the occasion. As our case is new, so we must seek anew and act anew. We must disenthrall ourselves. . . .

Today we too must disenthral ourselves.

We are engaged in a life-and-death struggle with a rebellion against mankind. It was inevitable that this struggle should come. Because of our blindness this force of rebellion was given the choice of the battlefield on which we would finally meet. It chose war.

The Nazis knew well when they chose war as their battlefield that today war can be fought in only two ways: as a war of enslavement or a war of liberation. The Nazis believed in the enslavement of the world. They chose war because they believed that they could wage a war of enslavement with greater determination than we could wage a war of liberation.

Our soldiers have fought superbly in this war. Already we have left so far behind this apathy and internal dissension of the pre-war years that we seem to be living in another world. We have moved with a firmness that at any time but this would have been magnificent, yet while the Nazis have understood the nature of the war of enslavement which they must fight, we have been held in thrall.

We have been held in the thrall of our own material wealth. We have believed that victory had nothing to do with the difference between the social, the political, the moral foundations of Fascism and Democracy. We have believed that because we possessed 10 per cent more aluminium, 30 per cent more zinc, twice the number of automobiles that the Axis possessed, we were sure to win the war.

That argument was always a damnable rationalization for inaction. Now it is a criminal lie. It is costing us thousands of lives. It is endangering our entire war. Even if we possessed more resources than Germany, that would be in itself no assurance of victory. Now even this is denied to us. We may possess more materials and factories than Germany alone, but the resources which Germany and Japan are capturing together with their own are as great as the resources at our command. Already all of Europe, and great parts of Asia and of Russia, are working under the Axis. If the Axis can organize the resources of these regions even as poorly as ours are organized, then the difference in degree will lie with the Fascists. Time will be on their side.

We have been held in the thrall of the words which we have spun. We have believed that because we have *said* that this is a war for democracy, for world unity, for liberation, it must be such a war. How arrogant, and how far removed from the world we have been, held in the thrall of complacency that words have created around us! We really have lived by the belief that the world wanted nothing more than words. We cannot go on living in this way.

We have been held in the thrall of our reliance on others. In the opening rounds of this war, from 1932 on, we lived by sacrificing others. In the crucial year of 1942 we lived simply on the courage and sacrifice of the Russians in withstanding alone the force of the Fascist armies. Now we can no longer live by the losses of others. The Russians are battered and bleeding, the Chinese are partially isolated, the millions in Asia who we had hoped might defend *our* cause are in revolt against us as the Axis drives to force our fronts apart.

We have been held in the thrall of another war in another world. As democrats, brought up to hate and fear war, we have withheld ourselves from this war, believing that no good could come of war, and that in wartime nothing can be accomplished save on the battle front. As citizens, we have lived under the delusion that we could survive this fiery trial by a few adjustments here, a change or two there, in the manner of 1917. We have moved with the speed of 1917

on the urgent problems of 1942. We have remained in the wake of 1917 when at least the Allies gave up their attempts to fight four separate wars, and joined in one supreme command.

We have clung to the past when we should have been reaching for the future.

The tide of this war has been running against us; now we must turn the tide. Never in this war have we asked, For what are we fighting? Now we must know our purpose in order that we may think in terms as great as this war demands. Never since this war began have we related the war to the larger struggle of our time. Now we must see the war as part of this larger struggle. Ours is a time in which realization has outrun vision; now vision must be regained before realization can again be advanced. We must restore vision to its place at the head of action, directing action constantly into more effective ends. We must know more of the road on which we are travelling and the end to which it leads if we are to march down it with swiftness and certainty to victory and beyond.

II

For what are we fighting? Because we were attacked? Of course. Because we were endangered and had to defend ourselves? Yes. But the moment of that attack is long since over and the time for defence is past. Now we need new purposes.

For what are we fighting? For peace, but not for peace alone. Peace can embody only a part of man's willingness to give himself in a more positive cause. "Bloodshed is a cleansing and a sanctifying thing," said Patrick Pearse, "and the nation that regards it as the final horror has lost its manhood. . . . There are many things more horrible than bloodshed, and slavery is one of them." This is a terrible time to assert the truth of these words. Yet men believe them and want to believe them.

For what are we fighting? For freedom. But for a vigorous people, freedom is no end in itself; it is simply the presence of opportunity. The opportunity to do what? In the hard days that lie ahead of us we will have to know more how we intend to use our opportunity if we are to fight without thought of our losses.

For what are our young men to fight? Not for the past, because the past is over, not for the present, because no American was ever satisfied

with, ever willingly fought for, the present. For what then is each soldier to fight? For a home of his own, for a job with enough security to marry and raise a family, for the right to vote and to protest against injustice, for peace? Throughout all history, soldiers have fought for these necessities and never in all history have they been realized at the home-coming. Yet today they are no longer enough. Today no young soldier in America can have security unless a young man in China is secure; he cannot be free unless a young man in Greece is free; he cannot live in peace unless peace exists the world over. And besides, no soldier can fight for his own home, his own job, his own life, alone, for if this is his only purpose then his overpowering objective is not to fight but to live.

For what are we fighting? For the Four Freedoms that are to be realized in our lifetimes. But how are they to be realized? We speak of freedom from want, but we have not the faintest idea of how we shall attain it. We speak of freedom from fear, and we are holding the entire world in fear concerning our intentions. When the world asks us, "What are the means to your end?" we reply, "First we must win the war!"—for there is no easier escape than to make action a substitute for thought. But, at any rate, we cannot win the peace until we find the answer to the question that the world is pressing upon us. The world knows this, and at heart we know it too. We hope that soon the answer will come to us; but when men are dying, is hope an act to deserve a badge of courage? We are silent, and our silence chills all peoples.

In the presence of our silence the forces of the past reassert themselves. The old have a curious way of telling the young who are doing the fighting what they are fighting for.

We are fighting for *independence*, say the men who resisted every endeavour of our people to strive for the better society which they do not dare to face. For *independence*; that is, for the right of the Hungarian people to be oppressed by Hungarian rather than by German Fascists.

We are fighting for *survival*, say those who accept still the society which brought on this suffering. But it is precisely because this has been a war of survival so far that we have for so long been losing this war.

We are fighting because *we were attacked*, say those who find even in *independence* and *survival* revolutionary implications and who wish to deprive the war of any significance whatever. Westbrook Pegler

writes: "This nonsense about war aims is beginning to get out of control. So before we become a lot of confirmed political hopheads walking around in a dream of international and interracial fellowship and love, it should be stated with such force as to sway us out of our daze that the fighters and the people of the United States are at war for the sole purpose of defending their country from a combination of enemies who touched off the fight under cover of protestations of friendship, that is all there is to it."

So that is all there is to it. We were fooled by a lot of foreigners, someone touched off a scrap, a few million die and we settle back to the old quarrels. So this time we are to deprive those who die at the fronts of even the illusion that their death will be of some value to the world. It took twenty years for the world to raise itself up from the passionate hatred and force that the distorted purpose of the last war burnt into it. It took the deaths of hundreds of thousands of soldiers in China; the loss of a free country in Abyssinia; the murder of a fighting democracy in Spain, to give us the strength to face the moral issue that was forced upon us. Now we are to deny this issue. Now in our cleverness we are not to give any hint to our young soldiers that moral values are involved in this war, so that when the war ends they cannot assert that they have again been betrayed. So the old will save their skins. *So we will lose the war!* For before the young return to demand a new world we shall lose the war to the fascists, who at least have the will to live. *Yet millions of Americans believe that war aims are nonsense.*

Never in all history was such immense power placed in the hands of one nation as is now held by the United States. Never was there a people as utterly confused as we are concerning the way in which we are to use our power for good or evil. Our blind strength is a menace for the future. The fighting courage of all peoples and the realization of our own immediate wartime tasks demand that we gain vision now.

III

For what are we fighting? This war did not begin when the first gun was fired, and it will not end when the sound of the last shot dies. As Milo Perkins has said:

We are engaged in a struggle that transcends the present war. This is a long, long fight to make a mass production economy

work. The battle started when machines became important in the lives of men. It should be over within the generation following this conflict. The battle will be over when we have built up mass consumption to a point where markets can absorb the output of our mass production industries running at top speed. Then, so far as our physical needs are concerned, life can become a journey to be enjoyed rather than a battle to be fought.

Our minds are now creating neat little time compartments labelled pre-war, war and post-war, but these are like the labels of childhood, youth and manhood to the individual who lives through them. This is a single and continuous struggle to achieve one goal. Complete victory will not be won until there is a full and increasing use of the world's resources to lift living standards from one end of this planet to the other. The twentieth century is a time set apart for the winning of this total triumph.¹

This war has come at a rare and crucial time in history, such as the Reformation was. Then men were fighting among themselves, but beneath their battles, as Sir Thomas More wrote, sheep were wont to devour men. Now men are again fighting; only the sheep have been replaced by machines, and the machines are wont to devour us. In this long, long fight, the war has come like a sudden solvent, sharpening the clash of forces, quickening the entire rhythm of the underlying world revolution. All over the world people are awakening, great movements of liberation are stirring, ideas that were forgotten are assuming new tremendous meanings. Everywhere an immense upheaval is taking place in which everything is in motion, nothing is settled and safe. The strongest traditions are uprooted overnight, the weightiest anchors cannot take hold. The monuments of a failing past, the ruined pillars of dead sovereignty and dying privilege are carried in the wake of a flood that is bearing onward towards a free and united world.

Yet these molten forces must settle before our new world is reached. Because this war is part of a large battle, the weaknesses of the past are present in the war, hindering us.

In the past, a social crisis hindered our freedom of action. Today that crisis is still not resolved and even hindering our war effort. In the past the world was sharply divided between the oppressed agrarian nations

¹ Commencement Day address, Swarthmore College, May 25, 1942.

and the industrial nations which exploited them; today that exploitation and that division remain in our war. In the past we lived by reliance on sovereignty and it failed us; today we have not yet found a new way to live and as nations we are not fighting together as we should.

In the past we lacked a world organization to express our common will; today that fault is still evident in our war. *Because the origins of this war lie deeply in the past the weaknesses in our war effort are also deeply laid and cannot be overcome by compromise or superficial redress. Because this war is the crucial phase of a larger struggle to achieve world unity, victory will be worthless unless the underlying conditions of world-unity have been attained.* The realization of this fact is the first part of the vision that we must gain.

Because we have lacked vision, defeat has been our only teacher. Even in defeat we have been unable to learn. Our failing has been more than lack of leadership; it has been lack of understanding of the future towards which we are feeling our way. With all its blind force, war is bringing this world and the future into being, yet we have failed to understand war. The practical men without vision have asserted that all thought of peace must wait until the war is won, and the academic men without vision have asserted that it is necessary during the war to plan for the disembodied wraith of a future peace. Both have failed to see how we can move ahead in the prosecution of the war, because both fail to realize that it is in the prosecution of the war that the relationships and the forms of the future are taking shape. It is here that vision is needed. *For our acts of strength which bring us close to victory are the acts which develop this life of the future, while our actions of weakness which prolong the war are those which resist this future life or deny its worth.*

IV

Instant action based on great vision is demanded of us—great vision and new vision. Whatever it is that is resolving itself in this cauldron of war, it will be new. But we cannot watch it hardening; we must bring it to life. This new world has entered the realm of potentiality but it has not yet formed, and war demands that it should take form now.

For just as war fights in a thousand different ways for the brave, so

it fights with equal force against the hesitant. War causes a concentration upon immediate ends which, if we lack courage, obscures our purposes. War causes a drain of young men, leaving the old, the defenders of the status quo, behind. War annihilates many of the physical symbols of the social service state. The hesitant, when these symbols are destroyed, can see no further ahead. Only the brave strike out towards the altogether new state that war offers, and the victory and the future demand. In these ways war works against the halfhearted.

Instant action is demanded of us; action to make plain our vision; action to translate it into the most immediate needs of the war; action to see that these needs are satisfied. Action which does not follow thought now is worse than useless; thought which does not lead to action is a crime.

Our young men are fighting now. For what are they fighting? If it is not for their future world, then for what are they to kill and die? But if it is for their future, then we are committing the greatest of all betrayals if we are not prepared to fight also to bring that future about.

Are we to work for the new world for which our young men are fighting, or are we to force them to fight for the old world to which some wish to return? Between these two worlds there is great social change; between them, also, is victory or defeat in this war. Just as war or peace had ceased to be the issue in 1938, so today the issue is no longer the old world or the new in victory; it is the new world or a peace that is lost.

Today victory itself forces the moral issue upon us. It demands of those who do the fighting and dying whether the new world is worth the cost of victory. It demands also of those who remain behind whether victory is worth the cost of a new world.

PART TWO

THE CONDITIONS OF WORLD PROGRESS

"When the freedom-loving peoples march, when the farmers have an opportunity to buy land at reasonable prices and to sell the produce of their land through their own organizations, when workers have the opportunity to form unions and bargain through them collectively, and when the children of all people have an opportunity to attend schools which teach them truths of the real world in which they live, when these opportunities are open to everyone, then the world moves straight ahead."

—HENRY A. WALLACE

CHAPTER TWO

THE AFFIRMATIVE SOCIETY FOR THE WELL-BEING OF INDUSTRIAL PEOPLES

I

To the delegates of the International Student Assembly, to the young men of America's armed forces, to the youth of all the world President Roosevelt spoke gravely on September 4, 1942. He said:

For many years they [the Fascists] have made their hypocritical appeal to you; they have tried with all their blatant publicity to represent themselves as the champions of youth. But now the world knows that the Nazis, the Fascists, and the militarists of Japan have nothing to offer to you except death.

On the other hand the cause of the United Nations is the cause of youth itself. It is the hope of the new generation and the generations that are to come; hope for a new life that can be lived in freedom, in justice, in decency.

Is it? The Nazi youth leader, Baldur von Schirach, replied very simply:

Mr. Roosevelt proclaims "the inalienable right to freedom from want and fear. . . ." The youth of the Reich and its allies know no fear. . . . But as far as want goes . . . Mr. Roosevelt . . . didn't you say yourself that one-third of the American people are

poorly housed, clad and fed? What about the children of this third? What about the children of the unemployed, of the farmers who have been driven off their land, of the millions who, according to American witnesses, move homeless from State to State? . . . The nation, which prides itself on being the richest in the world, which cannot provide millions with even the simplest necessities of life, which can offer youth no great shining goal for a better world order than a few stale generalities is neither capable nor entitled to address itself to the youth of the world.

The President continued:

We here at home are supremely conscious of our obligations to you now and in the future. We will not let you down. We know that in the minds of many of you are thoughts of interrupted educations, interrupted careers, delayed opportunities for getting a job. The solution of such a problem cannot be left as it was last time to mere chance.

This Government has accepted the responsibility for seeing to it that whenever possible work has been provided for those who are willing and able but who could not find work. That responsibility will continue after the war, and when you come home we do not propose to involve you as last time in a domestic economic mess of our own making. Victory is essential, but victory is not enough for you or for us. We must be sure that when you have won the victory you will not have to tell your children that you fought in vain—that you were betrayed.

Schirach replied:

When Roosevelt raises the hopes of American soldiers that if, after their return from war, they are willing and capable and still find no work, the Government will guarantee to support them, then these words give us a deep insight into the social and political chaos of a nation whose President has always spoken only of social reform.

The soldiers of the Axis need no such assurances from their leaders. They have left their place of work to take up arms and they know that when they come back after victory this place will be open to them. Every German knows that his Fatherland is a social State and that the conception of the national community

which the National Socialist movement has given our nation is a reality in which above all our millions of young people have their part—young people who no longer know the American disparity between rich and poor.

Lies Schirach spoke, but not all lies.

The speech of the President came from one who had earned the right to speak to youth by fighting for youth. It represented the farthest frontier of responsible allied thinking about the future and the purpose of this war.

But is it enough to return to 1938? We remember that in 1938 ten million Americans were unemployed, most of them young people. We remember that in Britain there were men in the pockets of decay in Lancashire and the Rhondda Valley who had been unemployed for fifteen years. As young people we grew up in the depression. We remember that when the shroud of the depression lifted in 1934 the greatest State in Europe was preparing for war, the democracies were divided and broken, the rulers of our society had lost faith in its future. We remember that in Britain, the heart of a great empire, the means test, the reduction of social services, were all that the Government could offer its people; that year after year the commissioners of the distressed areas had no solution to offer, save to call the areas "depressed areas" or "special areas." We remember the destruction of the shipyards, the rotting mines and factories, the hunger marchers. We remember how in America the New Deal struggled to overcome these same conditions and beat its head into bloodiness against a stone wall of blind reaction.

We remember that it was from this world that Fascism rose. We know that Hitler the demagogue bellowed to a cowering world that the stains of Versailles were burnt so deeply in the German soil that only the granting of the latest—and last—wish could remove them. We remember also that Hitler, the leader of the Nazi party, talked to his fellow Nazis in a very different language when on September 2, 1936, he told the Nürnberg Party Congress:

"Wars and defeats have a less disastrous significance in the lives of nations than the internal crisis of their social structures."

We know that it was the crisis in the social structures that carried Hitler forward until he had the world within his hands. We know

that this crisis broke up the international collaboration in the League that might have saved peace; that it meant the abandonment of great areas to Nazi conquest; that it created within our industrialists an impatient desire to share the economic exploitation which Fascist aggression made possible; that it prohibited the use of our one effective weapon, the boycott. We know that it gave rise to a psychopathic fear of communism within the Allies, and led to a white war against Russia within which the foetus of Fascist aggression grew until it overwhelmed us. We know that this crisis created a substantial pro-Fascist sense in our conservatives and an altogether irrational fear of war. It was not our young people who resisted war when the pattern of Fascist aggression became clear. It was the old who feared war not so much as a destructive force but as a harbinger of social change. It was a British Prime Minister who, like too many conservative leaders in America, "was no doubt more sympathetic to Fascism than to what he regarded as the reds of Spain."¹ In a real and repulsive sense this affinity among conservatives the world over towards Fascism represented to us the admiration for the rapist among the impotent.

Are we to return to the world of 1938? In that world the most active minority within us had turned from their own countries and towards Russia for leadership. Of the remainder one third believed that democracy was finished and another third did not care.

Are we to return to that world? "We live in a new age," Schirach says to America. "Today it is a question not of grace, but of reality. What do you want to give the world?" Twenty million young soldiers are waiting for the answer. They are not filled just with impatience to resume interrupted opportunities; they are filled with a horrible haunting fear that there will be no opportunities at all.

II

But the illness was not in a poverty of words, and the cure is not in a wealth of promises. This issue of full employment lies at the heart of the struggle that transcends this war, the long, long fight to make a mass production economy work. For seventy years this crisis has slowly mounted to dominate our lives. Now we must find the solution

¹ Neville Chamberlain, as described by Lord Cecil in *A Great Experiment*, Oxford University Press, 1941, p. 307.

of the next hundred years. We have to get to the roots of the crisis and rip them out.

This crisis of the social structures arises essentially from the crisis of capitalism, from the growing contrast of the immense achievements of capitalism and its inability to exploit these achievements. The progress of capitalism has raised us to such heights of income and production that at full employment we provide in new savings \$14,000,000,000 a year. Think of what this means! In seven years we have built seven huge dams and hydro-electric stations in the Tennessee Valley. We have built new roads in the Valley, new towns, new transmission lines, new factories. It is the greatest development we have ever undertaken. Added all together it represents about \$1,000,000,000 in investment, or the amount saved in three weeks by the American people at full employment! In the automobile industry we have created the greatest centre of mass production in the world, employing 800,000 men. Yet the total investment in plant and automobile equipment is only \$2,000,000,000, or the savings of seven weeks.

The task of finding outlets for \$14,000,000,000 of savings every year is colossal, yet unless this total flow that is withdrawn from consumption in the form of savings is returned in the form of investment expenditures, incomes cannot be maintained. Where is capitalism to find new outlets? Each new plant that it builds tends to reduce the rate of profit on all other plants. Each new burst of capital accumulation threatens the profitable operation of existing capital, and so contains the seeds of its own destruction. Capitalism becomes like a top which must spin faster and faster in order to maintain equilibrium but which as it spins faster develops a greater and greater drag that slows it down.

When populations were multiplying and each new frontier was breaking down before a newer outward thrust, a high rate of extensive investment was needed simply to provide for the basic necessities of new citizens. Investment then could be based on exploitation and it required the existence of a wealthy class to provide new savings.

But now, when populations are stabilizing in the West and new markets are few, progress requires intensive investment for the purpose of welfare in raising standards of living. But this capitalism cannot provide. The new outlets for investment now are in low-cost housing, medical care, river valley development, the raising of the standards of oppressed peoples. All of these are beyond the scope of private

enterprise. As outlets for private investment narrow, and profits are endangered, corporations combine to maintain prices and prevent new investment. But the overall price level cannot be maintained, and when new investment is choked, incomes crash. There is no stability in capitalism that has ceased to move forward. Its only method of paying for one new bridge is to build another new bridge and so to keep income high. But when new investment is unprofitable there are no props which capitalism can place under falling income save the wear and tear caused by time. Its only means of restoring stability is the impoverishment of a people until their total savings are lowered to the reduced outlets for profitable investment. In 1932 this level of stability was reached only when the entire American economy was destitute, bankrupt, beaten to its knees and powerless to prevent widespread starvation in the presence of unlimited resources.

This crisis demanded government action—drastic—permanent. We failed in the pre-war years to use government as it could have been used.

In Britain the secular change in capitalism after 1900 brought about the rise of a social service state. The Government expenditures on social services increased from 3 per cent of the national income in 1911 to 12 per cent in 1939. The expenditure benefiting the working-class group rose in those years from £76,000,000 to £429,000,000. There was a redistribution of wealth from upper income to lower income groups that amounted in 1935 to £150,000,000. One effect of the increase in income taxation after 1913 was that savings, which in 1913 amounted to 13 per cent of Britain's national income, in 1935 were only 10 per cent. This change in England to a higher consumption economy prevented her from suffering as terribly as America in the depression of 1930. At the same time the relation of government and industry in Britain was modified in the direction of Government control.

Yet these changes were wholly inadequate. Only Government expenditures on rearmament prevented the recurrence in 1938 of an economic crisis that the lowering of interest rates, the forcing of exports, the granting of subsidies were powerless to prevent.

In America we undertook after 1933 to establish a similar social service state. We instituted Government employment in public work, Government control in agriculture, Government operation in the power projects. The inability of private enterprise to recover was so

complete that by 1936 the Government was itself financing 37 per cent of all income-producing expenditures that offset savings.

And yet the New Deal was no more than an important beginning.

In a future world society no social service state whose social objectives are limited to keeping alive men who have been deprived of work, begins to be adequate for the purposes of world unity. And no State which limits the right to work to public relief projects to which all the stigma and the wretchedness of home relief are attached is any better.

We must free ourselves from the intolerable conflicts of the pre-war years that wreaked themselves upon the world. Because we must operate within the framework of consent, Government action alone can free us. In the future no industrial democracy that seeks peace can do less than guarantee to all of its citizens the right to constructive work at fair wages; to good low-cost housing; to minimum standards of nutrition, clothing and medical care; to full opportunities for training and adult education; to real social security.

This is the affirmative society. The assertion of its values, in a world in which there are no material barriers to a full life, is the surest method of their attainment. For once they are accepted as overriding necessities, the jealousy of business, the presence of local vested interests cannot stand in their way. Where private enterprise unaided cannot fulfil those basic rights, then the State must provide for them.

Because the industrial nations must be the leaders in any world organization, the resolving of the internal crisis of their social structures through the achievement of the affirmative society is the most important of all conditions of world peace. For only a happy society can afford to be peaceful and only in a society in which all citizens are conscious of being fully used for constructive ends can happiness be attained. Only when the pursuit of domestic happiness becomes co-operative enterprise can the pursuit of peace be more than a competitive struggle in arms.

CHAPTER THREE

NATIONAL DEVELOPMENT FOR THE LIBERATION OF DEPENDENT PEOPLES

I

FROM Hong Kong, Kota Bahru, Singapore, Socrabaja, Moulmein, Rangoon, Mandalay, the United Nations retreated; burning, destroying, leaving soldiers to surrender, civilians to be enslaved. Why did we lose those cities? "Singapore was not lost to superior equipment; on the contrary the weight of munitions was on our side," Lord Beaverbrook said. No, the murdered cities whisper: "Our own people did not defend us."

We lacked sound political theory; we had no war aims in Burma. The people, advocating independence, were unfriendly from the beginning and when the Japanese began to succeed this ripened into open hostility.

The open hostility of the people caused us to fight blindly. Without air support we scarcely ever knew exactly where the enemy was, where he would appear, or in how much strength. Intelligence broke down almost completely. The Japs were led by Burmese people through the country paths, jungle thickets, into the rear of our positions time and again, causing numerous road blocks, clogging our supply lines, disrupting communications and causing an adverse psychological effect on the minds of men and officers.¹

With the retreating armies went a system of domination and foreign oppression. With lawlessness, cruelty and destruction it had burned its way in; so it was burnt out.

II

It was a system of world domination, based the world over on the exploitation of poverty-stricken and enslaved peoples. It grew as nations grew. It expressed itself in terms of world empires as the need for world organization impressed itself upon nations. But it developed

¹ Jack Belden, "The Fever of Defeat," *Time*, May 11, 1942, p. 24.

economic and political forms which were at variance with its progressive nature in bringing about world organization. Instead of developing collaboration between peoples equal in status, it led to the exploitation of strong over weak peoples; so, side by side with the principle of amalgamation which it established, it created a movement of national resistance which asserted that never could world organization be brought about in this way. It was not just in the Pacific that this movement of nationalism clashed with the United Nations and forced them to retreat. It clashed in the Near East, where the Nazi-inspired national rebellions of May, 1941, failed only because an unexpected Yugoslav resistance held back their protector. It clashed in Latin America, where for six months none of the Republics other than America's satellites followed our leadership in fighting for the United Nations. It would have clashed among the submerged peoples of Africa had the opportunity arisen. Even the Philippines, whose native army fought bravely against Japan, accepted Japanese rule with only superficial changes in the Government bureaucracy. Alone of the exploited nations, China, with her tradition of revolutionary leadership, resisted Fascist aggression and asserted her faith in the future of the United Nations. And China to-day fights only on the understanding that she will never again be subjected to the intolerable system of exploitation in which the Great Powers held her.

Yet over a great part of the earth this system remains. Where it remains there is no ground for unity, there is continued oppression and sullen and silent resentment. In this great bulk of the earth that reaches from the Red Sea to the Yellow Sea; from the Black Sea to the Cape, the world is not living in the twentieth century at all. It is living in the eleventh, the fifteenth, the early nineteenth centuries. Where farms exist men till the land with crude wooden ploughs like those of twelve hundred years ago; they live in huts that are unchanged; they eat the same food, are clothed the same way. Where the twentieth century has driven its way into these lands it has too often brought increased misery and exploitation. It has driven out handicrafts; it has forced men from their farms where they worked for themselves into mines where they work for others. Where evils existed in the social order it has left them largely untouched; it has stripped the earth for its own gain and left little in return but hatred. Has it brought a vision of what the new world is? Dr. Rita Hinden, a British expert, in writing of native existence in Rhodesia says soberly:

European influence has cut into this existence with devastating effect—it has brought needs and desires of a new kind. It has brought glimpses of a new life to which the African can and does aspire. But it has not yet made it possible for the African to possess the image set before him. The African of Northern Rhodesia is caught midway between his old tribal subsistence agriculture which is today disintegrating before his eyes, and the new life of producing for exchange which is still outside his grasp. The result is a desperate economic distress.¹

Do these people have a vision? The vision of the oppressed people is that one day they may see their oppressors beaten and humiliated; the vision of the peasants is that one day all peasants will join and plough the cities and with them the twentieth century back under the earth.

The ruthless exploitation of the weak by the strong has created these visions. Are we free from blame? This exploitation takes its clearest form in the colonial empires, but are we to pretend that we have no empires? We deceive ourselves but not the world. Our forms of empire may not be clear to us, but to the people who are exploited they are clear enough. "This latest kind of empire," they say, "does not even annex the land; it only annexes the wealth of wealth-producing elements in the country. By doing so it can exploit the country fully to its own advantage and can largely control it, and at the same time shoulder no responsibility for governing and repressing the country."² In Chile, where this is true, there is no clear economic distinction between American domination of Chile and British domination of India. In India 70 per cent of Indian industry is owned by British capital. In Chile 90 per cent of Chilean copper capacity is owned by two American corporations, Anaconda and Kennecott. Of Chile's nitrates 60 per cent are American-owned. The Electric Bond and Share Corporation controls the electric power of Chilean cities. I. T. and T. owns Chile's communications system; the Grace line and Panagra dominate Chilean sea and air. The hatred of this foreign domination is a major reason for Chile's non-participation in this war.³

Similarly in China, half of the coal production, half of the textile

¹ Rita Hinden, *Plan for Africa*, London, 1941, p. 62.

² Jawaharlal Nehru, *Glimpses of World History*, Longmans, Green, 1942, p. 720.

³ *New York Times*, March 20, 1942.

mills, two thirds of the steam tonnage, almost all the railways, the banks, the foreign debt, and the agencies which control her foreign trade, were controlled by foreigners before 1937. China was no one country's empire. "China is the colony of every nation that has made treaties with her, and the treaty-making nations are her masters." Sun Yat-sen said, "China is not the colony of one nation but of all, and we are not the slaves of one country but of all. . . . If we were the slaves of one nation and some national calamity befell us, the master nation would appropriate funds for relief as an obligation . . . while the subject people would expect the relief of their master. . . . We are not yet up to Annam and Korea, and subjugation to one power is a far higher and more advantageous position than subjugation to many powers."¹

III

The economic exploitation to which imperialism has given political expression has been the exploitation by industrial countries of agricultural and raw-material-producing countries. Of Chile's working population 50 per cent has been kept in the mines or in the fields. In China 80 per cent of the working people are agricultural, in Thailand 80 per cent, in the Netherlands East Indies 70 per cent, in Burma 70 per cent, in Indo-China 80 per cent, in most of Africa the proportion is even higher.

By the entire nature of rural life, agricultural peoples are open to exploitation. They are poverty-stricken; they are uneducated; they lead no community life; they have no means of organizing; they possess no reserves; they cannot withhold their produce from the market; they must continue to produce under any conditions; so at all times they may be economically oppressed. By overvaluing their native currencies, by taxing them and controlling their industrial development, it is always possible for industrial nations to keep agricultural people permanently depressed.

In precisely the same way farm incomes within a country may be held far below the parity relationship of a prosperous year. Within a country, as between countries, falling prices tend to force farmers to produce more in order to live at all. So industrial regions like indus-

¹ Sun Yat-sen, *The Three Principles of the People*, Institute of Pacific Relations, 1929, p. 38.

dustrial nations may shift the worst burden of a depression onto agricultural producers. In America, between 1929 and 1933:¹

Prices of agricultural commodities fell	63 per cent	Production fell	6 per cent
Prices of iron and steel fell	20 per cent	Production fell	83 per cent
Prices of cement fell	18 per cent	Production fell	65 per cent
Prices of motor vehicles fell	16 per cent	Production fell	80 per cent
Prices of agricultural implements fell	6 per cent	Production fell	80 per cent

In the same way in the Balkans, industrial interests were able to force peasants to produce more agricultural goods for the industrial goods they received until in 1936 a Balkan peasant had to give 2 pounds of wool for 2 pounds of nails; 44 bushels of barley for 2 boxes of matches; 220 bushels of wheat for a pair of shoes; and 880 bushels of corn for a coat.² Where, as in Northern and Southern Rhodesia, Kenya, the Union of South Africa, and some Southern regions of the United States, this exploitation takes the form of white supremacy and racial suppression, it becomes intolerably costly.³

IV

The inevitable result of this exploitation is that the agricultural countries seek to industrialize their economies. In Europe where capital was available agricultural countries succeeded in increasing their industrial production after the last depression. Agricultural countries increased their share of the world's industrial output from 11 per cent to 24 per cent between 1928 and 1936. But this development left the most exploited areas largely untouched; those which were dependent upon a foreign industrial country were held in their undeveloped state because that country desired them to remain sources of cheap materials.

Almost without exception, the most exploited countries possess the resources necessary for industrial production. Indo-China contains substantial reserves of power and coal, tin and iron. In Burma there

¹ G. C. Means, "Industrial Prices and Their Relative Inflexibility," 1935, Senate Document 13, 74th Congress, 1st Session.

² Investigation quoted by Stojan Pribichevich, *World without End*, New York, Reynal and Hitchcock, p. 245.

³ That this parallel is fair is indicated from the following comparisons of the African territories mentioned. Lord Hailey states: "That their racial policy not only implies that the white population must remain permanently in political control over the native population but in practice it denies to the latter any direct participation in the government of the country." (*The Position of the Colonies in a British Commonwealth of Nations*, Oxford University Press, 1941, p. 20.)

is lead, tin, oil, and tungsten on which native industries could be built. China possesses almost all the materials for a major industrial nation; India is even more wealthy. In India there is one of the greatest high-grade iron-ore fields in the world with reserves three-quarters the size of those in the United States. There are manganese, bauxite, chromite, mica, magnesite, and copper-ore deposits in great quantities. There are great reserves of hydro-electric power. Parts of Africa are rich in resources.

Yet few of these resources were developed. Of India's power resources 3 per cent had been utilized. In 1931 less than 2 per cent of Indian workers were engaged in all forms of modern industry, a lower percentage than in 1911. In China, in Burma, in the Netherlands East Indies, in Indo-China, the same is true. They have suffered from arrested development.

This arrested development was caused by imperial policy. "It has not been given to any colony to develop its industries freely," one French authority wrote.¹ "Even the probability of such a development has always seemed paradoxical, almost inconceivable. Indo-China has not escaped this law." Thailand suffered from a similar policy. British Malaya was permitted no secondary industries of its own; Burma, under the control of foreign corporations, was kept as a raw-materials-producing country; so was the Netherlands East Indies until 1936. In India, following a burst of reform and capital investment by Britain after 1918, India's tariff system was manipulated back into its pre-1914 form as a mechanism of maintaining a relationship of industrial-agrarian exploitation. In China Dr. Sun Yat-sen placed industrial development at the front of his programme. "The miserable condition among the Chinese proletariat," he wrote, "is due to the non-development of the country . . . the radical cure is the industrial development of China for the benefit of the whole nation."² So Sun Yat-sen proposed a vast scheme of industrial development of the Southeast, the Northwest and the Interior of China. He asked only that the development of China be undertaken by an international organization in collaboration with the Chinese national government. But the Great Powers refused to accept the proposal.

¹ C. Robequain, *L'Evolution de l'Indo-Chine Française*, Paris, 1939, quoted in Kate Mitchell, *The Industrialization of the Western Pacific*, Institute of Pacific Relations, 1942, p. 152.

² Sun Yat-sen, *The International Development of China*.

When they were thwarted as dependent nations, the oppressed peoples turned to seek their independence. In India "the basis for the Nationalist Movement was largely economic distress and unemployment."¹ This was equally true for all of Asia, Africa and the Near East.

This national movement was inspired by Western liberalism. The flowering of this militant liberal spirit in the Fourteen Points of Wilson gave to the oppressed people a sudden burst of hope and inspiration. In China, Sun Yat-sen turned to America as the centre of world leadership and the model for Free China. In Korea, oppressed by Japan since 1902, the March 1st Independence Movement swept over the people. The Annamites in Indo-China believed that Wilson's programme meant their freedom. The Indians, the Chinese, the Arabs, warred on the Central Powers for the right to self-determination.

But the promise of the war was broken. King Feisal came to the League to be turned down. Egypt was held in tutelage. When Japan threatened Wilson with abandonment of the League, he conceded her right to hold the province of Shantung, shattering China's hopes. The Koreans, who assumed that self-determination would be realized, issued a Declaration of Independence based on Jefferson's and proclaimed a provisional government. When their delegation came to Versailles it was refused admittance; then the Japanese broke their demonstrations, killing 7,500² and scattering the Korean Nationalists over China.

India in 1917 had been brought into the Imperial War Conference with the Dominions. Her right to be represented there was never clear. It was a kind of payment in advance for her "great services," and they were great. But when the services were no longer needed, her right was challenged not by England, but by the Dominions. Canada and British Colombia, like the United States, feared that the free emigration of Indians which dominion status involved would open the way to Chinese and Japanese immigration. For the Union of South Africa it meant giving equal rights to her own Negroes. When the Indian delegate to the Imperial War Conference asked for equality, General Smuts refused to yield. "So far as South Africa is concerned," Smuts said, "It is a question of impossibility. Sir Taj and his colleagues say quite rightly that for India it is a question of dignity. For South Africa, for White South Africa, it is not a ques-

¹ Jawaharlal Nehru, *op. cit.*, Shanghai, 1920.

² Chungking broadcast, quoted, *China at War*, May, 1942, p. 23.

tion of dignity but a question of existence." And yet Smuts was generous in comparison with his successor, General Herzog, who attempted to drive all Indians out of South Africa by persecution.

This betrayal inflamed the Indian people. Their anger rose, the massacre of Amritsar was ordered by General Dyer, "to produce a moral effect throughout the Punjab." In 1922, Edward Montagu, the government reformer, rose in opposition in Parliament, crying, "Are you going to keep your hold on India by terrorism and racial humiliation and frightfulness?"

In Syria a National Congress met in 1920 to proclaim a democratic constitution, and continued to meet until the French arrived with the mandate to occupy Syria. In Palestine and Trans-Jordan the demand for an Arab federation grew and was suppressed. In Iraq rebellion broke out in 1920. Turkey was successful in establishing her independence and undertook her national development with Russian capital. In the Pacific, under China's leadership, the oppressed nations turned to Russia and the Russian organizer, Borodin. Communism became by 1926 the most powerful force in Asia. In 1926 there was an uprising in Java; in 1927 in Sumatra. Only by joint action of police and secret service work were the Western powers able to keep the nationalist leaders apart and prevent a general threat to their domination of the Pacific.¹ Yet even the breakdown of the Chinese revolution in 1927 did not end the independence movement. In Indo-China in 1930 there was a strong communist uprising which was suppressed only by severe police action.² In the Netherlands East Indies a powerful Indonesian national movement continued to press upon the Dutch. In Thailand and Burma national governments were established. In Korea the nationalist movement was strong enough in 1935 to compel the unwilling Japanese to undertake an industrialization programme. In China the rejoining of national forces led at once to the Japanese invasion as the only way of maintaining China as a colonial appendage to Japan's industrial empire.

In 1938 the wheel turned full circle. The threat of war led the Dutch to undertake a real programme of industrialization in the Netherlands East Indies, and the British to plan new factories in India and new reforms in Egypt and the Near East. Once more we realized suddenly how terribly weak were the sources of our power. Our empires were

¹ Rupert Emerson, *Government and Nationalism in Southeast Asia*, Institute of Pacific Relations, 1942, p. 23.

² *Ibid.*

as weak and rotten and as morally indefensible as the Hapsburg empire in 1917.

China, despised China, was the one cord of life that bound us to one third of the world's peoples. We had ignored China. We had supplied the aggressor that was destroying her with vital war materials. We had refused China aid. Even when war was imminent we had overlooked her. It was only over the most violent protests of our Army and Navy that a handful of Americans had established the American Volunteer Group in China that was to save an entire chapter of the war for the United Nations. Even our own entrance into the war was a disaster for China since at once we reclaimed all the supplies that we had promised her. We continued to break our promises to China. We drove her to desperation. And yet China remained the one force in the world which could save liberalism for the West.

When India was threatened, it was China alone that could appeal to India to fight. Chiang Kai-shek's farewell message when he left India on his mission in February, 1942, is one of the great declarations of the war of liberation. Chiang asked the British for a transfer of "real political power," but he added, ". . . All those who oppose aggression by striving for the freedom of their country and other countries should join the anti-aggression camp. There is no middle course and no time to wait for developments. Now is the crucial moment for the whole future of mankind. The issue before us does not concern the dispute of any one man or country, nor does it concern any specific questions pending between one people and another. Any people therefore which joins the anti-aggression front will be seen to be co-operating, not with any particular country, but with the entire front. This leads us to believe that the Pacific war is the turning point of the war of nationalism. . . . The anti-aggression countries may expect that in this new era the people of India will voluntarily bear their full share of responsibility for the present struggle for a free world in which India must play her part." Chiang then reminded India of the brutality of the Japanese in India and in China, and he added, "In these terrible times of savagery and brute force the people of China and their brethren people of India should, for the sake of civilization, of human freedom, give their united support to the principles embodied in the Atlantic Charter and in the joint declaration of the twenty-six nations and ally themselves with the anti-aggression front."

Yet in the division of the world that exploitation created, the Indians

could reply with Sun Yat-sen's own bitter words, "Cosmopolitanism is not a doctrine which wronged peoples should talk about. We the wronged races must first recover our position of national freedom and equality before we are fit to discuss cosmopolitanism. . . . We must understand that cosmopolitanism grows out of nationalism. If we want to extend cosmopolitanism we must first establish strongly our own nationalism."

In the spring the Japanese drove into Burma. To what could we appeal in Burma when the Japanese advanced? In China a mass meeting was held in Chungking. "People of Burma," its resolution read, "... we want you to know that we are with you heart and soul in this great struggle, that we too have met the pain and have forced it to bring us a blessing and that we are confident of the future development of Burma when the final victory is ours."

V

We talk of saving Asia and Africa; on the contrary Asia and Africa alone can save us. After all the oppression that we have loaded upon Asia it might seem incredible that the idea of their own liberty, let alone our liberty, should mean anything to the peoples of Asia. Yet precisely because they have been oppressed they understand what Fascism means and they know how it can be fought. Asia is not using this war to revolt against us; she is telling us with desperate earnestness how we may save ourselves. China is desperately trying to awaken us to realize that this must be a war of liberation to be war at all. India is desperately trying to give us the same message. "The urgent need is to give a moral and revolutionary lead to the world," India is telling us, "to convince it that the old order has gone and a new one really based on freedom and democracy has taken its place. Only freedom and the conviction that they are fighting for their own freedom can make people fight as the Chinese and Russians have fought."¹

It is right and inevitable that the new leadership in the spirit of this war should pass to the oppressed peoples. When Western nationalism came first to Asia it clashed with Oriental despotism and acted as a liberating force. But when it led to the emergence of the Western, nationalist spirit in Asia it reversed itself and supported despotic regimes

¹ Jawaharlal Nehru, "India's Day of Reckoning," *Fortune*, April, 1942.

against the rising forces of nationalist democracy. In Japan, with which it remained on friendly terms, the West produced a synthesis of Oriental despotism and Western imperialism that threatened the freedom of all Asia. But nationalism and internationalism in China and India grew as complementary forces, since in these countries nationalism, from the earliest time, drew its inspiration from Western democracy. So, from the time of the Taiping Rebellion and the creation of modern Japan only the triumph of nationalism in Asia could give to the West the strength to survive and form a world order.

We need now to find the vision of a new balance in the world. It must be based on the recognition of nationalism in Africa and Asia. Lenin, the advocate of the most extreme form of world integration, wrote, "Mankind can achieve the inevitable merging of nations only by passing through the transition of complete liberation of all the oppressed nations."¹ Yet we need to find some way of bringing this nationalism within the larger framework in which it thrives. We need to search for a new kind of national development that asserts the right of a people to give expression to its own culture and its institutions, and the further right to exploit its own resources for its own welfare. We need to understand that this national development can and should rely on our aid. Because the potentialities of democracy in Asia are still the actualities of democracy in the West we need to understand how closely these rights are bound to the realization of democracy for our own Negro people.

Our greatest authority on Asia, Owen Lattimore, says with unanswerable force:

The fundamental issue cannot be evaded. We cannot survive by defending the past. We must fight for the future. The survival of democracy means the spread of democracy, the end of imperialism, the end of the integrated imperialism-and-democracy to which we have so long been accustomed. When we failed to see what the issue was in 1931 the Chinese decided it for us in 1937. By fighting the eastern end of the Axis to a standstill they threw the western end of the Axis against Britain and France in 1939. By fighting Hitler to a standstill the British threw Hitler against Russia in 1941. By again fighting Hitler to a standstill

¹ N. Lenin, *Collected Works*, Vol. XIX, p. 51, International Publishers, 1942.

the Russians again threw the eastern end of the Axis into action, this time against Britain, America and the Netherlands Empire. The final issue is now joined. It is the whole Axis against all the democracies. The world can no longer survive half democratic and half colonial, half subject and half free.'¹

¹ "The Fight for Democracy in Asia," *Foreign Affairs*, Vol. 20, No. 4, July, 1942.

CHAPTER FOUR

FEDERAL PARTICIPATION · THE RIGHTS OF INTERDEPENDENT PEOPLES

I

SOON British, American and Canadian troops will be driving bridge-heads across the Channel. Polish and Free French soldiers will be advancing across the beaches and up the cliffs. Norwegian, Czech, Danish and Dutch flyers will be over them, protecting them; the troops that left Europe ragged, beaten, broken up, will be returning as one army.

For what? No more urgent question faces us. What are we to bring back to Europe as we advance: the old world of 1933 or the new world of the future? Are we to return as brush-up and paint-up men or as liberators? We must answer now.

We are failing to answer; within our failure turns the course of a thousand years of European history. The history of peoples bound to each other by every natural force of a single continent and hurled apart by every artificial prejudice; the history of the classical source of inspiration of world freedom and the source also of vicious dictatorship; the history of the centre of universal brotherhood, and of burning nationalism that has flared up and been crushed again as small nations rise up from the dead and are pressed back into their graves.

The union that is a vision for the rest of the world, for Europe is a matter of physical survival. Europe is the crucible in the white-hot furnace of this battle in which all of the world's impurities are being resolved and resolved until either a new substance will form or nothing but ashes will remain.

In these months, above all we must gain our vision of a new Europe, for the old Europe cannot be restored.

II

There is no basis for economic progress in a Europe made up of sovereign states. The administrative regions on which European production must be planned bear no resemblance to the national boundaries of 1934. One great industrial region is the area of the Rhineland that includes

the Ruhr, the Saar, Luxemburg, Lorraine, a section of The Netherlands, central Belgium and parts of Champagne and Picardy in France. In this region, if men are to be prosperous and peaceful, the coal mines of France, Belgium and the Ruhr must smelt the iron ore of Luxemburg and Lorraine while the railway, canal and river systems that spread across the Rhineland into Holland must carry the products of the entire area to the world.¹ Similar regions are the Silesian triangle whose resources flow under the boundaries of Germany, Czechoslovakia and Poland; the Erzgebirge, divided between Germany and Czechoslovakia; the upper Rhine; the highlands which fall from Switzerland with their hydro-electric resources; and in the south-east, the Danube and the minor Balkan river valleys. With proper development these rich resources can reintegrate Europe and lift Europe's peoples from their crushing poverty. Yet national states have been unable to combine in Europe, even for the most profitable enterprises. When François Delaisi proved that the construction by Western capital of 400,000 kilometres of new modern roads in Europe was a commercially profitable enterprise, he could still raise no funds for it.

Are foolish little customs unions to solve this problem? Of course not! the bankers echo. No union can solve the problem of the organization of Europe's resources except a union of the industry of Western Europe and the agrarian economy of Central and Eastern Europe. As one British writer states: "Economically there is no point in uniting the Balkans, Poland and Central Europe without uniting them with an industrially developed economic system. Unless we can secure this, all talk of Hapsburg monarchy, Danubian or eastern federation is quite futile. What is really needed is a European federation."² The officials of the International Raw Steel Cartel and the friends of I. G. Farben may assert that the organization of these regions is beyond man's skill. But their own achievements, however predatory, belie their words. They have blazed the way and we need only follow.

III

Secondly, there is no basis for national fulfilment through independent European states.

¹ For this analysis see "Reconstruction and Peace," Julian Huxley, *The New Republic*, New York, 1942.

² Doreen Warriner, *Eastern Europe after Hitler*, Fabian Society Research Series, No. 50, London, 1940.

The boundaries which were drawn by the Versailles settlement were as close to perfection as they could be.

Yet in 1918 only 65 per cent of Czechoslovakia was made up of Czechs and Slovaks. In Poland there were 8,000,000 members of minorities. Of the peoples of Rumania 28 per cent were other than Rumanian.

The most elaborate mechanisms were instituted by the League for the protection of these minorities. The treaties signed with the beaten states, Austria, Hungary, Bulgaria and Turkey, all provided extensive minority rights. Each of the new states, Poland, Czechoslovakia, Rumania, Greece and Yugoslavia, concluded Minority Treaties with the Allied and Associated Powers. Lithuania, Esthonia and Latvia were not admitted into the League until they had committed themselves to respect their minorities. These minorities in each case were assured full civil, religious and political equality. Their languages were recognized in schools and before courts of law; their governments were obliged to provide instruction in their national cultures for them, and to admit them to public positions.

And yet the minorities problem was only inflamed. Almost at once a struggle began between governments and minorities which aggressively asserted their rights. Rumania was accused, at Geneva, of terrorism and denationalization. The Czechoslovak government was attacked for denying public positions to its minorities. Poland was declared to have persecuted Ukrainians and Jews. Almost all minorities protested their lack of facilities for national education and the denial to their members of government and military careers. In Czechoslovakia these protests represented the irredentism of Hungarians and Germans to whom existence as minorities was intolerable. In the case of Polish and Ukrainian minorities, the charges were usually fully justified. But irrespective of the justice involved, the minorities became means of pressure between great states. Fascist Germany used the German minorities to provide a justification for military conquest. France resisted minority agitation because she favoured the status quo. The ruling groups of Poland and Rumania, which had been forced to temper their persecution of minorities until Hitler's defiance of the League, used their minorities from 1934 on as scapegoats to ease the misery of economic depression. The League itself, while creating a strong framework of minority rights, failed to create the machinery to enforce them. Its mediation was weak and was used to further

larger political ends. As for the doctrine of self-determination—its ambiguity became finally clear when Hitler succeeded in making it the justification for overwhelming Austria and destroying Czechoslovakia.

IV

Lastly, there is no basis for collective security in independent European states.

The point is, in part, that air power has dealt a death blow to small states, for it greatly increases the military disparity between great states and small, and weights the industrial potential of great states against the natural defences that small states once possessed. This disparity makes small states dependent on great states whether their dependence is recognized or not and it generates the evils of power politics that contain war in their innermost laws of motion. But, far more immediate, Germany, which has broken up every alliance in Europe and crushed every movement of open solidarity, has made European federation inevitable. Before 1914, as J. M. Keynes wrote, "Around Germany as a central support, the rest of the European commerce system arranged itself and on the prosperity and enterprise of Germany the rest of the continent mainly depended. The increasing pace of Germany gave her neighbours an outlet for which the enterprise of the German merchant supplied them with their chief requirements at a low price."¹ When the break-up of Germany was proposed, Keynes told the allied leaders: "The clock cannot be set back. You cannot restore Central Europe to 1820 without setting up such strains in the European structure and letting loose such human and spiritual forces as, pushing beyond frontiers and races, will overwhelm not only you and your 'guarantees' but your institutions and the existing order of your society."² Today this is even more true. To return to regional alliances against Germany is to return to the arid intrigues of the last peace which France so painfully constructed and which fell apart at the first breath of the storm. Besides, what continental power is to conduct these alliances? Surely not a reconstructed France. A reconstructed Poland? The idea is insane—a proposal for perpetual warfare. We shall find a solution to Europe only if we face the issue of three hundred years and seek a settlement the object of which is not to re-create

¹ J. M. Keynes, *The Economic Consequences of the Peace*, Macmillan.

² *Ibid.*, p. 37.

independent states, but to create a new world society in which Europe can play its full creative role.

V

The independence of all states has become intolerable. The independence of European states has become unthinkable. But does this mean that there will be no basis for independent states in Europe when this war is won? *On the contrary, unless there is a fundamental change in the social structure of Europe, there will be no basis for European federation.*

For the great mass of European peoples nationality is not thought of primarily in political terms. The Polish peasants used to say in the Twenties, "We've been oppressed by the Germans, oppressed by the Austrians, oppressed by the Russians; now we might as well be oppressed by the Poles." But to assert the truth of this and to go no further is not enough.

In pre-war Europe there was a very good basis for national sovereignty. One half of Europe was living in the twentieth century, the other half in the sixteenth. In this feudal Europe the central forces of European unity—the peasants—seized power after the war, under Witos in Poland, Karolyi in Hungary, Stambuliski in Bulgaria, Stepan Radich in Yugoslavia, Maniu in Rumania. These men believed in European federation and formed their own Green International to bring it about. But—often with the aid of Western reaction—these men were overthrown. The dictator Pilsudski drove Witos out of Poland; the dictator Horthy drove out Karolyi; the Fascist Military League tortured and dismembered Stambuliski; the Fascist Serbian minority murdered Radich; the dictator Carol ended Maniu's democratic state. The feudal class through which these dictators ruled lived by inciting national chauvinism. Chauvinism kept its parasitic landlords in control of the peasants. Chauvinism kept its parasitic sons in oversized armies. Chauvinism kept its parasitic states in existence over discontented and wretched peoples.

Given this social structure, what possible basis was there for European federation? Czechoslovakia, the natural centre of European unity, had no wish to federate. The Czech peasants, like the French peasants and the Bavarian peasants, had carried through land reforms and were prosperous; they could not afford to open the Czech markets to the forced exports of feudal Hungarian estates worked by labourers paid

in kind, or to the produce of South-eastern European peasants so miserably poor that they would sell at any price their small surplus. These prosperous peasants rightly demanded protection in the form of tariff barriers against the exploitation of feudal Europe and in turn feudal Europe revised its tariffs against the manufacturers of the West as a means of raising revenue. The industrial capital of France, Switzerland, Germany and Britain flowed into the coal mines and textiles of Poland, the copper and bauxite mines of Yugoslavia, the oil fields of Rumania, but not to raise standards of living and modernize these nations; instead the division of Western and Eastern Europe was increased by this form of industrial-agrarian exploitation.

Even in America, where this same exploitation exists, our federation is maintained only by a series of disguised barriers to interstate commerce and a system of railway rates that protects Northern manufacturers against low-cost Southern competition and keeps the South in economic bondage. Even here, after a century and a half of federation, unity is prevented by the contrast in our standards of living. It leads the South to offer itself to Northern manufacturers as a low-wage, non-union paradise. It results in decay in New England and violent outbursts against labour in states such as Texas.

So when we say that there is no basis for national states in Europe, we mean that there is no basis for these states if peace and progress are really our aim and we are ready to recognize in Europe the social basis of unity without which peace and progress are impossible.

VI

Does European federation mean the denial of self-determination? Of course not. Self-determination is no longer simply a national issue. The men who intervened to establish the self-determination of European nationalities in 1919 intervened also to suppress social and political self-determination. Does federation mean the denial of nationality? To deny it would be a Fascist solution. We can find no solution for Europe that does not fully appreciate the importance of nationality. We must find, in our solution for European unity, some means of giving full expression to the desire for national development that all agrarian countries seek and at the same time of transforming nationality from an instrument of power to a purely personal attribute. We must find some way of entirely abandoning the conditions of a world in which

small nations struggled desperately to maintain their cultural identity and separateness against the threat of forcible assimilation by more powerful cultures. We must develop in each citizen of Ireland—and every other state—a cultural consciousness which asserts not “I demand the right to my Irishness!” but “I demand the right to contribute to our common culture what Ireland alone can offer!” We need to demonstrate gently to the people of Ireland how highly the world might value their culture. For when the Irish were forced to speak the language that the world spoke, Ireland’s poets and playwrights dominated the entire world with their literature. But now that Ireland has fitted herself into her own tight little mother tongue, who has heard of a contemporary Irish writer? We need to ask of the Irish—and of all peoples—was this an act of liberation or imprisonment?

But Europe is not a tubercular patient to be spoon-fed in isolation. It is the crucible in which the world’s conflict is resolving, and where the forms of the future will first appear. For Europe and for the entire world *we need to find some way of replacing the approach by which the world has lived—of national separateness—with the approach of federal participation; participation in the administrative structure, the government, the political and cultural life of a larger region that one day will merge with all regions to form one world.* In this world not only will we guarantee to each *individual* the personal liberties necessary for the fullest *individual* development; we will guarantee to nations the *collective* liberties of cultural expression and national development that nationalism cannot provide now. In this world *participation* and not separatism will be our objective; self-determination will cease to be an absolute right to be exercised in violation of other rights and will take its place in the orderly hierarchy of all recognized rights in which the exercise of each is subject always to the general welfare of the whole. Because, on an island, secession is physically impossible, islands are peaceful places. We need to learn now that the world has become an island, indivisible.

WORLD ORGANIZATION
FOR THE WELL-BEING OF ALL PEOPLES

I

THIS is a time for vision: of the future of industrial peoples; of the future of agrarian peoples; of the future of nationalities after military victory is won; but towering over all of these is the necessity of vision of the future of the world itself.

There are great forces at work in this war; forces bursting through to new life, forces crashing to their doom in blood and smoke. Behind all these forces lie the driving purposes of all men's lives: the search for peace; the search for economic well-being; the search for social progress; the search for freedom.

Either men are to search for these ends as members of nations, or they must search for them as members of a united world. Either nationalism must be the great force that drives men onward, or a new force of greater dynamism must be found.

In the last war the Allies had no sense of either force at first. The Allies began by believing that there would be a quick peace with the Austro-Hungarian empire, to be followed by the collapse of Germany. In that event Austria-Hungary was to be preserved as a counterbalance to Germany. So the Allies played softly the notes of nationalism for which Europe's oppressed minorities were listening. The notes of internationalism they did not play at all. But when Austria-Hungary continued to fight and Germany continued to advance; when the European mission of the Hapsburgs passed within the world mission of the Hohenzollerns; when the German conception of a United Europe under Pan-Germanism gathered momentum, the harassed Allies turned to the European minorities as their one source of support. When the Germans shouted of European unification, the Allies shouted louder of national independence. When the Germans advanced themselves as *Kulturträger*, the Allies countered with *self-determination*.

Now the Germans are again talking of world mission. And we? We are lost and wandering in a no man's land between nationalism and world order, shelled from both sides. Behind our lack of bearings lies the final issue that we must resolve.

The signpost points both ways to victory: one is a hard and rocky road, but straight, that leads to world unity; the other is a crooked lane of national determinism that ends in disaster. For nationalism is not the force now that it was in 1917. In the high fever of the years of the still-born peace its strength wasted away. Today nationalism is a great force of *resistance* in occupied nations that face denationalization, and it is a great force of *resistance* in nations that are being attacked; but to be a great force of *advance*, nationalism must be coupled with the consciousness in all peoples of the place of their nations in a world order that alone holds the ends for which they are searching. The knowledge of this fact does not always form a part of the consciousness of all peoples. But it lies within their minds in the form of a restless intolerance of the past, a hungry yearning for the something new that is needed if all the great aching ills of the world are to be healed.

II

We need now to find our final vision of the structure of a united world. Where are we to find it? The search of mankind for peace, for economic well-being, for social progress, for freedom, has been a world search for centuries and it has left many half-finished structures of world organization standing around us.

Cemeteries in the moonlight, most of them—for these attempts to unite the world have never been completed.

There is the British Empire that in the nineteenth century brought the trade of all the world into one pattern, directed from London; that established the most delicate and finished mechanisms of world unity that brought most of Africa, the Near East, a part of the Americas, a great part of Asia, under one flag. But it piled up its own resistances and foundered on rocks of its own creation. Today it is no pattern of political unity for the world to follow.

There is the attempt of international capitalism to rule the world by sheer economic force. The national monopolies and the international cartels that make up this system flouted the greatest governments and turned small states into phantoms. In the course of twenty years after 1918, the cartels brought 20 per cent of all world trade within their control. They developed the most elaborate conspiracies. They brought the authority and armed forces of states behind them. They created their own world loyalties so strong that the division of the cartelized

nations into warring enemies made no difference to them, so deep that a United States Senator could truthfully say to one of the greatest corporations in America, "You are bound by two loyalties: one loyalty to I. G. Farben and its world control, the second to the United States and its world policy."¹ This was true and it represented a revolutionary departure. Yet all of these cartels failed to create the slightest degree of world unity. They ended by becoming less a means of unifying the world than redividing it to the advantage of Fascist Germany.

No world unity could be established by international capitalism, for its purpose in joining was essentially to form combinations in restraint of the real imperatives to world unity. Even when industrialists came together to talk about ideals, they could only think in terms of exploitation. In the International Chamber of Commerce of 1937, French industrialists combined with Nazi delegates to point out to the British businessmen that:

A black population of 130,000,000 persons, undernourished and half-civilized, is an even more important factor for the future development of the world than Africa's undoubted riches in raw materials. Africa can give the industries and the world the expansion territories that they so badly need. . . . It is to be hoped that the industrialists and bankers of the world will co-operate in establishing and carrying through development schemes in Africa.²

But however much German and French industrialists might have longed to bring nourishment and civilization to the millions of blacks languishing under Britain's thumb, their only method was to depress the standards of these millions still further. And no international system created for the purpose of restricting the development of the existing raw material resources of the world could afford to undertake the development of new resources of raw materials in Africa. Even where partial attempts were made in the international wheat pool and the coffee valorization schemes to provide for world organization through governments, these schemes failed because they bore no relation to an overall world pattern. *The essential fact about the instability of the world*

¹ Senator James M. Mead to officials of the Standard Oil Company of New Jersey during the hearings of the Senate Committee Investigating the National Defence Programme.

² *Proceedings* of the International Chamber of Commerce, 1937. In particular the speeches of M. Bernard Desouches and Dr. Max Uger are revealing.

in the years after 1918 was that because the unbalance was world-wide, only overall world-wide action could bring any part of it into balance again.

There is the third structure in our world, the force of world communism that Heine described a century ago as the silent onlooker who one day would claim the stage for his own. In the welter and bloodshed of 1917 it came within reaching distance of world power. It remained an ambitious movement, an undeniable demonstration of the hunger in men throughout Europe and all nations to live as part of a united world. In its extreme form of world solidarity, a communist steel worker in Scranton looked to the Executive Committee of the Communist International as his world government. He felt that the Fourth Route Army soldier in Shansi, the Polish volunteer in the trenches of Madrid, were his brothers, closer to him than the foreman in his own shop. Like all other narrow movements of world organization, international communism piled up its own inner resistances. To-day, however, it is once more putting its drive beyond ends greater than its own seizure of power and it is sustaining a force in the war. Its centre in Russia must form a part of our vision.

There is the fourth structure and the greatest for us, that was raised from bloody ground and crippled in its first hour, that stood trembling for years, that stiffened under the blows that were rained upon it and grew until its light shone over the world; that was broken and now lies shattered before us—the League of Nations.

III

It was never clear in the origins of the League whether or not it was intended to be the beginning of world government or the means by which national sovereignties could be preserved through a loose, but effective, association of independent governments for the maintenance of the status quo. To Wilson it was a world union conceived in political terms only. To the British Government, acutely embarrassed by Wilson's political principles, it was a revived concert of great powers with knobs on. To the French, who disliked the knobs intensely, what was not a guarantee of the Rhine was a maelstrom of fervent frothiness.

It was never clear in the Treaty or the Covenant whether the purposes of the League were the broad purposes of world betterment or the narrow purposes of peace. The Treaty stated that peace could be

established only "if it is based on social justice." The Preamble added:

Conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled and an improvement in these conditions is urgently required.

But this gesture remained a gesture, a whirling Catherine wheel to frighten away the wolves of revolution that howled in the night outside the palace of Versailles.

The political settlement of the Treaty was not accompanied by any economic and social settlement. It was accompanied by economic and social disintegration. The League was created for world political collaboration at the moment when, at the instigation of Herbert Hoover and the other American delegates, all wartime forms of world economic and social collaboration were being ruthlessly smashed. As early as November 7, 1918, Hoover cabled to his representatives in Paris:

For your general advice this Government will not agree to any programme that even looks like inter-allied control of our economic resources after peace. After peace over one half of the whole export food supplies of the world will come from the United States, and for the buyers of these supplies to sit in majority in dictation to us as to prices and distribution is wholly inconceivable. The same applies to raw materials. Our only hope of securing justice in distribution, proper appreciation abroad of the effort we made to assist foreign nations, and proper return for the services that we will perform, revolve around complete independence of commitment to joint action on our part.

When Hoover ripped the economic controls from the machinery of the League, and America left its own child orphaned, all hope of orderly reconstruction and most of the hope of world economic development and social progress were taken from the League. From that moment on the purpose of the League was not to move upon the growing forces of unbalance in the world, but to provide recourse in the political association of independent states for protection against these forces should they break out in war. Even in this insignificant form, the League was left bobbing on the surface of a troubled sea beneath which the underswell of power politics was stirring again. One

of the authors of the Covenant, Lord Cecil describes how in the earliest years of the League he returned to London to find that:

Mr. Baldwin and others regarded it [the League] as a kind of excrescence which must be carefully prevented from having too much influence in our foreign policy. . . . For us to do anything to help it, either with money or with diplomatic action, was, in their view, an effort of national altruism which could rarely be justified. . . . To me this attitude was heart-breaking. As I saw the European situation, the causes which had produced the war of 1914 were bound to resume their sway.¹

In the period before the post-war years became the pre-war years, the League remained as a ghost. Brave ideas were thrown up within it, such as the Protocol that defined war as "an international crime."² But within the shapeless framework nothing solid could take hold. The League had no character and no purpose. It was principally a fixed point in a changing world. The purpose of the League was to defend the status quo; as such, it was powerless to initiate an active search for peace. In the first years of its life, the pressure upon the status quo came principally from progressive forces, so the League could claim no popular support, particularly since it included the most openly warlike states within its ranks. When its great chance came in 1924 with liberal governments in France and England and the Protocol before it, the chance was lost because the main efforts of these liberals were not in strengthening the League but in weakening it by attempting to separate from it the enforcement of the status quo in the Treaty. When after 1931 the Fascists began to move out of the League and the attack upon the status quo came from the war makers, the status quo assumed a moral significance and the character of the League began to undergo a revolutionary change. But it was a sick world government whose strength was derived from the strength of its enemies. And those who controlled the League did their utmost to deny that a moral issue existed. When Italy invaded Abyssinia, she was condemned by, but not driven from, the League. "To brand Italy as the aggressor at a

¹ Lord Robert Cecil, *A Great Experiment*, p. 146. His comment upon Ramsay MacDonald is equally revealing: "Unhappily Mr. MacDonald though he supported the League of Nations in principle never liked it. He enjoyed immensely the old diplomacy, the conception that a very few eminent personages sitting in secrecy should settle the affairs of Europe."

² Report of Dr. Beneš and M. Politis.

meeting of the League for having broken a solemn covenant," wrote a European historian, M. J. Bonn, "and to implore this moral offender at the same time to remain within the League whose statutes she had violated deliberately, was so incongruous that moral failure was inevitable even if material failure had not taken place."¹

Yet the world was beginning its sweep toward the crisis of today, and in this sweep the League was gathered up and carried forward toward a real world government.

On one hand, Hitler was putting the final edge on the "victorious sword of the master race" that was "to take the world into the service of a higher Kultur." When Neville Chamberlain complained of the size of his announced ambitions of world conquest, Hitler replied:

In a British newspaper a politician is reported as complaining that we wish to divide Europe into two camps. We must break the disagreeable news to this Robinson Crusoe living so blissfully on his British island, that this division into two camps is already an accomplished fact, nay—more, that this division is dividing all states internally into two camps that have not sought and found a clear direction on one side or the other.

Against this world force of war rose the world force of peace. It was a force based on social progress, on economic development, on freedom; it was a true world force.

At Geneva, when the critics of the League proposed that it be turned into a debating society on the slogan of universalism, Litvinov replied for the Soviet Government: "Better a League without universalism than universalism without League principles." He asserted that:

When some State announces a foreign policy based on aggression or the violent annexation of other people's possessions, or the enslavement of other nations, or domination over entire continents, the League of Nations has not only the right but also the duty of declaring loudly and clearly that it has been set up to preserve universal peace, that it will not permit the realization of such a programme and that it will fight that programme by every means at its disposal.

In Europe and in China, the *Rassemblement Universel pour la Paix* sprang up to wage a militant campaign for resistance. In France huge

¹ *Foreign Affairs*, January, 1937.

demonstrations demanding resistance took place. In Britain Sir Arthur Salter wrote that "the Covenant of the League has won the kind of reverence and loyalty which attach to a religion."¹ A move grew, led by Arthur Henderson, to pass a Peace Act pledging the British Government to support the Covenant. The last dyke of British resistance to this new world force, the inaction of the British Labour Party, cracked and threatened to burst as Sir Stafford Cripps, speaking in many mass meetings, asserted that the allegiance of the British people was to the League, even to the extent of revolutionary action against the British Government, if it should be condemned by the League. At the crisis of the invasion of Abyssinia, 11,000,000 people in England signed petitions demanding the immediate enforcement of sanctions against the aggressor. The sanctions which followed, although they were far too late and never extended to oil or the closing of the Suez Canal, provided the first great demonstration of world solidarity against the aggressor. But the inadequate way in which they were administered served only to heighten the conflict for and against world resistance to the warmakers. The Spanish rebellion, the first modern war of ideas, at once brought this conflict to a white heat that forced Britain apart² and threatened revolutionary action in France.

From this moment on major elements in the governments of Britain and France ceased to engage in power politics and engaged in world politics—world politics which foresaw an altogether new world balance under German domination. There began the series of conversations with the Nazis for long-term settlements. There began at the same time a deliberate attempt to destroy the effectiveness of the League. There was first the undermining of League procedure, then the bitter

¹ *Security*, Macmillan, 1939, p. 162.

² In this extraordinary heat, material interests no longer predominated. When a National Labour Member of Parliament, Harold Nicolson, during the Spanish rebellion pointed out how deeply Britain's material interests lay with the Loyalists and commented on "the tendency to see some similarity between the totalitarian and the conservative theory among my conservative friends," a Conservative M.P., Commander R. T. Bower, replied in language which could be found in conservative circles the world over:

"The real causes of our dislike of the Spanish Government and what it stands for go beyond consideration of the purely material interests of Britain. The foul cancerous disease of the Russian soul known as communism . . . is the deadliest enemy of our very civilization. Before its threat the hypothetical dangers of a Franco victory sink into comparative insignificance. . . . The average conservative has one thing in common with them [the Fascist dictators] . . . a loathing of that bestial creed of communism."—*Time and Tide*, August 6, 1938.

comments on the weakness of the League as a justification for further sabotage. There was the degrading hypocrisy of non-intervention. There were the constant manoeuvres outside and in defiance of the League, the series of warnings to the best supporters of the League, the small States.¹ There was the crowning insult of appointing as President of the Assembly of the League of Nations the epitome of irresponsible autocracy, the Aga Khan. There was finally the utter and devastating ignoring of the League at the time of Munich.

This was the supreme test of the League. If it had been in any sense a world government with a staff of its own and loyalties of its own, then that staff would have appealed to those loyalties—for they existed—the world over. When instead the League collapsed under attack, it demonstrated its one fatal weakness: its failure ever to reach beyond governments to the peoples of the world who believed in the League.² So the League passed out when it was dropped by the governments.

IV

We need to learn now from these disasters what form our new world organization must take.

The history of the last twenty years proved simply that only in the shortest term can the victors in war impose any pattern of peace upon the world unless it is part of a wider pattern which offers in peacetime a full life for all peoples. This the Treaty failed to do. It was only in 1936 that the Director of the I.L.O. was able to write:

In 1936 the perception that the failure to ensure economic and social equilibrium was the most radical flaw in the peace settlement is dimly beginning to dawn. . . . Economic and social problems have become political problems of the first magnitude. . . . That is why it is no longer possible to dissociate the future of peace from the future of social justice.

Yet the League was never permitted to associate peace and social justice. Certainly the League carried out useful functions in its non-

¹ "We must not try to delude small nations into thinking that they will be protected by the League against aggression and acting accordingly when we know that nothing of the kind can be expected," Neville Chamberlain said on February 27, 1938. This speech was followed at once by a meeting of the Oslo powers at which the League was forsaken and neutrality adopted.

² It had, certainly, the League of Nations Associations, but they were always under the control of each government and were never militant organizations.

controversial work as a glorified Postal Union. But in the presence of the world's three great and unloved yearnings, the League never reached down to ease the day-by-day misery of the economically impoverished, the day-to-day resentment of the socially exploited, the day-to-day longing of the unfree. The League was used, even at the end, as a means of actively denying these yearnings. Yet they are the great forces of world unity today! They are the yearnings of nine-tenths of humanity!

On them now and finally the future of any world organization depends.

We need to think in entirely new terms about our world organization. We need to think, not of an organization that will protect us against the crushing forces of world disequilibrium, but of an organization that will go out to meet these forces and crush them; that will establish the underlying balance on which a structure of political agreement can be constructed.

We need to determine what the forces are that are demanding world organization now. We need to construct our vision of world organization in accordance with these forces.

What are they?

V

(1) *Peace demands world organization.* Today the potential resources which a state commands in making war have grown so immeasurably that no state can be permitted to determine alone how these resources shall be used. In America we have undertaken to send into action, thousands of miles from our shores, an army of 5,000,000 soldiers and an air force of 120,000 planes within three years of the programme's inception. Yet we have only just begun to organize the application of science to warfare. Never, then, has a time existed when a temporary advantage could be so decisive. Never was a time dreamed of when, in a sudden burst of rage, one independent state could undertake to destroy the world within five years. These new powers of waging war demand the subordination of all states to one world authority to enforce peace. Only with the creation of this world authority can an industrial nation turn to the pursuit of happiness, only then can an agrarian people direct their nationalism into pacific co-operative ends, only then can nations within a continent afford to disarm and live side by side.

(2) *Economic well-being demands world organization.* It demands it because progress requires political stability and stability requires con-

trol. When international specialization reaches the point where the human population of New Zealand is 1,400,000 and the cattle population is 4,300,000; where a mistake in fiscal policy in America may produce a violent depression in Sumatra, then supranational control is required.

World organization is required for the economic well-being of any affirmative society. For an industrial nation such as Britain must maintain a high rate of exports irrespective of its form of society; and the only alternative to the competitive forcing of exports and trade wars is world economic collaboration. No world organization can thrive in which industrial unemployment exists on a great scale, because, given this unemployment, nations must place their own short-term interests before the long-term interests of the world as a whole. But without world organization industrial unemployment, particularly in Europe, cannot be abolished.

World organization is required for the economic development of agrarian nations. For the underlying dichotomy of imperialism—that whenever an imperial power builds a new factory or digs a new mine in colonial territory it creates a new centre of nationalist agitation—acts as a brake on national development; and the constant bleeding of an agrarian country's wealth by the imperial powers prevents the local accumulation of capital. We need to free these countries from imperial rule if they are to develop at all; but we cannot free them as we freed the South in the Civil War—by destroying one pattern of economic activity and failing to substitute another for it. What pattern can it be but planned world reconstruction? For China and India will not reopen their economies to private exploitation, and private exploitation could not develop their resources if it were given the opportunity.

World organization is required for the economic development of a federated Europe. Europe in the past has faced either of two alternatives: to maintain free trade with the rest of the world, or to undertake a programme of self-sufficiency. Free trade meant for Europe a high standard of living for that part of her population that lived by exports and obtained imports cheaply, and a high rate of unemployment for the peasants and workers undercut by the more efficient production of Latin America and of the United States. Self-sufficiency meant a high rate of employment for all Europe and low standards of living for all the employed. Most of Europe chose the second.

Yet Europe has never been self-sufficient and never can be.¹ It would be terribly costly for a European federation to undertake to be self-sufficient, and it would at once pit Europe against the rest of the world. Yet the federation could hardly risk mass unemployment. Only a reintegration of Europe within a world economy can solve Europe's ultimate problem, and only world control can achieve this reintegration.

(3) *Social progress demands world organization.* No social progress is possible in the industrial countries, the agrarian countries, or in a European federation where both are combined, until the divide between these two types of economy is crossed. Now, so long as two in every five Balkan peasants live in one room with their animals, British and American workers must live in slums; so long as Soudanese natives pick cotton for thirty-five cents a day, American cotton pickers cannot earn much more. So long as social standards are non-existent in Asia they cannot be raised in the West.

(4) *Freedom demands world organization.* Freedom demands world organization, not in the static sense that free nations must band together to protect themselves against the rise of dictatorship; it demands it in the dynamic sense that only through world organization can any country move forward to greater freedom from now on.

That increased standards and greater leisure in the democracies will mean more freedom is obvious. What is not clear is the way in which free institutions are to develop in the agrarian regions of Latin America, Eastern Europe, Africa and Asia.

These countries are determined to industrialize themselves. One condition of the successful industrialization of any nation is the education of its people; for only through education can a skilled working class be developed. For this reason the industrialization and the democratization of a country are part of the same process in which the achievement of one is often impossible without the achievement of the other.

At the same time industrialization involves great hardship. It breaks up settled customs. It means the disintegration of rural communities and social institutions. It demands the forcing of workers into mines and factories, the rapid construction of cities with overcrowding and slums. It means the deterioration of health; the emergence of un-

¹ In 1936-37 Europe imported all her consumption of coffee, cocoa, and tea; 98 per cent. of her cotton; 67 per cent of her wool; 64 per cent of her flax, hemp and jute; 63 per cent of her vegetable oil; 50 per cent of her hides; 36 per cent of her tobacco; and 7 per cent of her consumption of grain. Source: *Viertelj. H. d., Inst. für Konjunkturforschung*, p. 213, 1940-41.

balance. It means also that while capital is being accumulated, in the construction of new roads, mines, factories, and cities, a body of industrial workers is consuming the products of the mass of the nation—the agricultural population—without producing anything for them in return. So standards of living tend to fall in a period of industrialization, and discontent grows that must place rigid limits either on the industrialization programme or on the exercise of freedom.

If industrialization is brought about with the aid of foreign capital either in the provision of plant and equipment or in the provision of food and clothing for the industrial labour force, then it may be possible for a nation to maintain its standards of living during industrialization and to develop its democracy. But if foreign capital is not available then, if a nation wishes to carry its industrialization programme through, it must force down the standards of living of its peoples. The sheer necessity of grinding through years of almost unendurable misery overtakes free institutions and they must be suppressed until the benefits of industrialization begin to flow.

Britain, which was the first nation to undergo industrialization, possessed sources of capital in her overseas empire. In Russia Lenin understood this perfectly and prepared his entire programme of national development on the combination of German heavy industry and Russian agrarian production through the establishment of Soviet governments in both countries. When the revolution in Germany failed, Lenin offered great concessions to the Allied governments in the Genoa Conference of 1922 in order to obtain loans for the industrialization of Russia. When these loans were denied to Russia the Soviet Government undertook to finance its own programme in the Five Year Plan. It involved such a high degree of exploitation of the peasantry that the Soviet dictatorship over the peasants had to be intensified.

In the same way in the future, if industrial capital is not made available in tremendous amounts for the agrarian nations that are determined to establish their own industries, then these nations will inevitably abandon for a time the free institutions that they are creating and establish instead dictatorial regimes. Yet the existence of freedom everywhere depends upon the advance of freedom in these regions. So the world controls that are required to bring about the development of agrarian countries are vital to the freedom of the world as well as its material progress.

These are the forces that are demanding world organization; our final vision of this organization must be one that gives active expression to these forces: the search for social progress; the search for freedom. Our world organization must be one of nations which are engaged in the search for these ends. It must have a life of its own, a voice of its own, an armed force of its own, to execute its own will. It must have its own administrative structure, replacing the voluntary indirect system of reliance on national governments. It must have a home in the hearts of all men, and so it must be of benefit in the daily experiences of all men.

PART THREE

THE FUTURE IS WITHIN US

"The second day of July will be the most memorable epoch in the history of America. I am apt to believe that it will be celebrated by succeeding generations as the great anniversary Festival. . . . It ought to be solemnized with pomp and parade, with shows, games, sports, guns, bells, bonfires, and illuminations, from one end of this continent to the other, from this time forever forward. *You will think me transported with enthusiasm, but I am not. I am well aware of the toil and bloodshed and treasure that it will cost us to maintain this Declaration, and support and defend these States. Yet through all the gloom I can see the rays of ravishing light and glory. I can see that the end is more than worth all the means; and that posterity will triumph in that day's transactions, even though we should rue it, which I trust in God we shall not.*" [Italics author's.]

—JOHN ADAMS TO ABIGAIL ADAMS

July 3, 1776

CHAPTER SIX

THE UNITED NATIONS—OUR WORLD ORGANIZATION

I

WE need have only one war aim—to recognize what we have already created.

Sometimes the future is brought into being on the rack of years of grinding oppression and suffering; sometimes in the measured advance of peaceful years that come and pass, each leaving their own calm contribution to progress. But violence and the forcing fire of war have shaken the world in its greatest times of birth. Wars have determined what dying forces are doomed and what growing forces are strong enough to withstand the shock of being born; revolutions have cleansed the world of conflicts that peaceful petition could no longer resolve. Wars that are not revolutionary end in frustration, and revolutions that arise out of war alone cannot succeed. But revolutionary wars are the world's great roads to new life.

On January 1, 1942, the future appeared in the promise of twenty-six nations to endure their common trial of war to the end, and to bring from it a new world.

That promise was called the Declaration of the United Nations and it brought the United Nations into being. If we understand and value this new life that we bear, then like our own thirteen colonies it may grow until all peoples are united within it.

Two thirds of the world's peoples joined the United Nations at the moment of its inception. Now its twenty-nine nations possess three-quarters of the world's economic power.

The United Nations is still only months old. Yet already it has its charter, its councils, its forms of control with their own staffs from which its future government need only grow. Because from all of these a limitless future may spring, they are of extraordinary significance for us.

I. THE WILL OF THE UNITED NATIONS

The aims of the United Nations are expressed in the Declaration in the form of a commitment of adherence to the principles of the Atlantic Charter, signed by President Roosevelt and Winston Churchill on August 14, 1941. The Charter forbids its signatories to seek aggrandizement, or any territorial change that does not accord with the freely expressed consent of the people concerned. It foresees the restoration of self-government and independence to those forcibly deprived of them, and it assures to all people the right to choose their own forms of government. It provides for the basis in equal opportunity of economic well-being, and it calls also for a positive programme of achieving this well-being in improved standards, economic advancement and social security through the fullest economic collaboration. To "all the men in all the lands" it promises a peace which will assure them safety within their own boundaries, and it promises also an active search for peace based on a wide and permanent system of general security.

The Charter possesses no guarantee of personal liberty but behind it stands the Four Freedoms first outlined by President Roosevelt. They form the first bill of rights of the United Nations, guaranteeing to all peoples freedom of speech and freedom of religious worship, as well as the freedom from want and freedom from fear which the Charter includes.

Since the Declaration was signed, the United Nations have progressed in the formulation of their war aims. The Anglo-Soviet Treaty with Persia is framed in terms of support of the United Nations principles and undertakes the just protection of Persian independence and

liberty. The seventeen Master Agreements which the United States has signed with nations receiving lend-lease aid provide that the terms of repayment "shall be such as not to burden commerce between the two countries but to promote mutually advantageous economic relations between them, and the betterment of world-wide economic relations." "To that end," the Agreement adds, "they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion by appropriate international and domestic measures, of production, employment, and the exchange of goods which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers."

In this commitment, the last phrase concerning equal trading relations may be seen as a weapon for pressing American trading policies upon the world. But the promise to undertake an international programme of employment expansion is an altogether new principle and one of great promise.

II. THE MIND OF THE UNITED NATIONS

Our hope of survival is the will to be born of the United Nations. Our means of survival is the mind and the body of the United Nations without which the will must perish. Both are in the most formative stages. Both are unclear and weak. But both represent a departure for a new time.

"The consolidation of the United Nations war effort is being achieved," said President Roosevelt at the conclusion of his Christmas conference with Winston Churchill in which the United Nations was first established. "We shall not fight isolated wars, each nation going its own way. These twenty-six nations are united not in spirit and determination alone, but in the broad conduct of the war in all its phases."

While the President's statement is still not realized, there is a clear trend toward unity in the broad conduct of the war.

The Planning of Central Strategy

The mind of the United Nations is concerned with the planning of strategy.

If we possessed ample munitions, ample troops, ample shipping tonnage, there would be few problems for the United Nations. But we are short of men, short of munitions, desperately short of shipping. So the strategists of the United Nations must determine whether they will send troops to Egypt and risk losing Australia, or make Australia a main theatre at the sacrifice of Egypt; or send small contingents to both and risk losing both. They must decide whether they will ship bombers to England to be used in 1943, or keep them for training in Canada for pilots who will fight only in 1944. They must decide whether they will use a part of our limited supply of ships in carrying supplies to Russia and so reduce the shipping available to carry troops and munitions to Britain to open a second front. Everywhere our forces must be concentrated where they can do the greatest possible damage to the Fascists; they must be subject to decisions that change every moment with changing conditions, and to plans that must be laid two years ahead.

In developing these plans a bold central strategy can regard no application of its fundamental principles as fixed. With the rise of new weapons, major anchors of strategy, such as capital ships, may pass into obsolescence, carrying with them a hundred years of naval tradition, 200,000 tons of partially completed vessels, the carefully laid plans of fifteen years. As theatres change in emphasis, entire types of production must be discarded as covered ground gives way to open desert, and cold to great heat. As war develops, the entire emphasis on heavy bombers, which has taken five years and the employment of half a million men to develop, may turn out to be mistaken.

Obviously to make the decisions there must be a central command, capable of swiftly assimilating the essential lessons of each battle and of issuing immediate directions to redirect, on its own responsibility, the nature and the concentration of forces in warfare.

In 1917, a succession of military disasters compelled the Allies to create a Supreme War Council of the heads of the British, French, and Italian Governments, with their military and economic advisers. In this war we still have no such body.

The central strategy that we possess, is determined, firstly by the Roosevelt-Churchill conference, which meets three or four times a year to review the overall aspects of the war and to formulate new policies with the aid of the Russian and Chinese. In the absence of any more formal council, this is the supreme executive of the war, since

the decisions which it reaches are at once carried out through the authority of the President and the Prime Minister.

We have, secondly, the Pacific War Council, created in 1942 to review each week the overall developments of the Pacific war theatre and to provide a direct relationship between the President and the governments of China, Australia, New Zealand, and The Netherlands.

Thirdly, there is the Combined Chiefs of Staff Group. This group consists of the Chiefs of Staff of the American forces, and the representatives of the British Chiefs of Staff. Its purpose is to give a united direction to the Allied war effort by providing unified strategy; and by linking this unified strategy to the unified direction of supply.

The Combined Chiefs of Staff Group works in one building. Its combined personnel, which is steadily growing, is made up of British and American experts working on common problems without distinction of nationality. In the same building, too, high officers of the Chinese army and the Red army work, submitting requisitions, advising on strategy, appealing decisions made by other agencies, through informal relations, or by their presence in the meetings of the Combined Chiefs of Staff.

The purpose of the Combined Chiefs of Staff Group is the concentration of our war efforts in their most effective ways. Hence it possesses first its Combined Intelligence Committee, through which British and American Intelligence and the Intelligence of the other United Nations is combined to give a total picture of Axis strength and plans. Then its own counter-plans may be made.

These counter-plans of the Group are initiated in its second division, the Combined Staff Planners. Here what should be done is broken down into what can be done, in the light of available bases, resources, and transportation facilities. Then, with the reports of the Combined Military Transport Committee, which supervises the shipping available for military use, and the Combined Meteorological Committee, the programmes proposed by the Planning Committee are sifted by the Combined Chiefs of Staff and issued in the form of directives to their local joint commands and to the Group's Munitions Assignments Board, which allocates military products over the world's battle fronts.

The Local Command of the United Nations

For each of the major battle fronts of the United Nations, there is now one commander for the United Nations. In all but one of these fronts each commander is in charge of an international force.

On the European battle front British and American forces are leading the war against the Axis. With them are the ground troops of Canada and some free units. In the Royal Air Force in Britain, twenty-seven out of every hundred pilots are Australians, South Africans, Canadians, New Zealanders; six out of every hundred are Poles, Norwegians, Free French, Czech, and Yugoslav flyers. All of these forces are under one commander for the United Nations.

On the Middle Eastern battle front the troops of New Zealand, Australia, India, and Free France are in action in Egypt with British soldiers and some American flyers. In Syria similar forces exist. All of these forces are under a second commander for the United Nations.

On the South-western Pacific battle front Australian, British, American and Filipino soldiers are fighting together. With them in one force are the British, Australian, and American fleets, and a part of the Dutch fleet, under which our sailors fought. In command of these forces, with advisers of each and representatives of Chiang Kai-shek on his staff, is the American General MacArthur.

On a fourth battle front in China, an American, General Stilwell, is Chief of Staff of the Chinese armies of Chiang Kai-shek. He is also commanding general of the American Air Forces in China which form part of the Chinese Army, and include the spectacular American Volunteer Group, organized and sustained by the Chinese Government, which once fought as three squadrons of the regular Chinese Air Force under Brigadier-General Chennault. The United Nations commander of this theatre is Chiang Kai-shek.

In India British and American troops and Dutch naval units fight beside Indian volunteers under a fifth United Nations commander.

On the last front the Russians fight, but with them are the growing forces of Poland and Czechoslovakia under Russian leadership.

Uniting these fronts are the seas. On them, Baltic and Latin American seamen help to man a United Nations merchant fleet that is managed by Britain and America. And protecting this fleet are the coastal patrols of thirty nations and the navies of Britain and America that pass under each other's command as they move in different waters.

The emergence of these unified local commands of the United Nations does not mean that we possess one world army. Far from it. Our own national armies are still trained in their own ways, and fight with their own weapons. Because the training of each is still separate, they are still assigned their own sectors in battle. They still possess their own general staffs, and even at the highest levels of command, the relation between the Chiefs of Operations of each national force is never clear. Among the officers there is still a desire to belong to the greatest army, the fastest air force, the biggest navy in the world. Among soldiers there is the desire to eat and sleep and shave in the ways that they are used to. So it is necessary that the American expeditionary force in Britain be supplied as an independent unit, by independent procurement officers, even at the front lines, and this of course involves duplication and waste. Yet we cannot fight independently. "American troops on Australian and British soil," the President has stated to Congress,¹ "are being fed and housed and equipped in part out of Australian and British supplies and weapons." War is intolerant of national prejudices, and is breaking them down.

III. THE BODY OF THE UNITED NATIONS

How the United Nations Are Supplied

The problem of supply of the United Nations is the problem of creating the controls of a world economy managed democratically, but with complete efficiency, for the purpose of sustaining our world army and our peoples.

But supply is not simply the direction of economic resources in accordance with the objective of strategy. There are so many decisions to be made in supply itself between the balancing of military and civilian demands, and so many revisions in strategy made necessary by production, and shipping bottlenecks, that supply creates its own distorted strategy if the problems of supply are not efficiently resolved.

How the Requirements of the United Nations Are Determined

From the central to the local commands of the United Nations there must flow a constant stream of thought, by communication and the physical interchange of men. In a working central command, a world strategy develops which assigns to each theatre an offensive or a passive

¹ Fifth Report to Congress on Lend-Lease Operations, June 11, 1942.

role. This strategy may be revised in the light of recommendations of the local commands. But when the outlines of each assignment are roughly drawn, it becomes the task of the local commanders to estimate what supplies they will need to carry their assignments out. The estimates of British commands are forwarded to the War Department through London and the British Supply Council. Russian and Chinese needs are sent through similar channels; American needs' (and this is a grave weakness) are submitted separately, even in a theatre commanded by British or Chinese generals. But all of these requirements are brought together before a central assignment board in Washington and in London. Then they are reviewed, and if they cannot be satisfied, the local command is instructed to prepare its own estimate of its revised needs.

These requirements include uniforms, provisions, and many non-military items for the United Nations forces. Yet when these requirements are met, the need of the civilian populations of each of the United Nations remains. In the absence of strong civilian representation, there is the constant danger on every front for the armed forces to seize all shipping, all available stocks, for their own account and to drive civilian supplies below minimum requirements. At that point, though the armed forces may receive more, the war efficiency of the United Nations is reduced.

The organization of civilian supply for the Middle East is an instance of how the United Nations organize themselves to meet this problem. All the civilian needs of the Middle East are determined and provided for through one body, the Middle East Supply Centre, at Cairo. This Centre is responsible for Turkey, Iraq, Iran, Saudi Arabia, Egypt, the Gulf, Eritrea, and the British possessions, Cyprus and Malta. In this area, each of these countries would like to do its own procurement in London and Washington. But shortages of shipping and supplies have made their sovereignties intolerable. All procurement and distribution for the area must be centrally handled. In each country, demand is first determined by a committee of the national government to which all demands flow. If there are demands for cash purchases, then cash licenses are issued by this committee. But since these countries are supplied largely from American and British lend-lease funds, their demands are reviewed at the national level by an Anglo-American committee. This committee then passes the list of requirements on to the Middle East Supply Centre. There the demands of the region as

a whole are related to the supplies and shipping available for the region as a whole in the light of information from Washington and London. The requirements are in this way revised and forwarded for purchase to London and to the joint machinery in Washington.

How the Requirements of the United Nations Are Provided

Between the determination of requirements and the delivery of supplies lies the major administrative framework of the United Nations. Because Britain and America are the principal producers of an exportable surplus of munitions and equipment for the United Nations, the framework is predominantly Anglo-American. Yet the central machinery is moving toward a distinct and representative character of its own.

In the earliest days of the war there was almost no common administration. British agents handled all the purchases of the British Empire in America and built arms factories on their own account. We worked for cash and sold for cash.

When the Lend-Lease Act was passed, the means of payments ceased to be cash and the American Government took over all munitions procurement, to be allocated to other governments on lend-lease account.

Lend-lease was never a contract to repay. From the first moment, it was understood that lend-lease aid to Latin American countries would be repaid only according to the ability of the country to which aid was extended. In the case of England, it was apparent at first that the loan was interest-free and could only be repaid in goods—thus undermining tariff barriers. But now the Master Agreements have made it clear that even this repayment is subordinate to the combined welfare of Britain and America. By stressing services too, lend-lease dispels the fog and enables Americans to understand that payment has already been made by the British in their construction of our factories, their advice on our production, their resistance and sacrifice in the long months before we were ready to fight. "The lend-lease principle as it develops," says the fifth lend-lease report, "is removing the possibility that considerations of finance can interfere with the full use of material resources. The transfers made under the Lend-Lease Act are not commercial loans to other nations. They are contributions of material to a common pool with which a common war is being waged. In return, other United Nations are contributing their utmost to the common fight—in men, materials, and machines—and are

furnishing us with the weapons and supplies, which we rather than they can most effectively use." This is a true world approach.

In the war effort of the United Nations five main phases of supply demand joint action. They are the supply of raw materials, of food, of shipping, of production, and of munitions. Each of these phases of supply is now administered by a joint supply board.

Planning the Consumption of Food. The board responsible for the flow of the food supplies of the United Nations is the Combined Food Board. This Board, like the Joint Production and Resources Board, was established on June 9, 1942. Its directors are Claude Wickard, Secretary of our Department of Agriculture, and Robert Brand, representative of the British Ministry of Food. "In order to co-ordinate further the prosecution of the war effort by obtaining a planned and expeditious utilization of the food resources of the United Nations," the Board is empowered, according to the executive order which created it, "to formulate plans with regard to any question in respect to which the governments of the United States of America and the United Kingdom have . . . a common concern relating to the supply, production, transportation, disposal, allocation or distribution, in or to any part of the world, of foods, agricultural materials from which foods are derived, and equipment of non-food materials ancillary to the production of such foods and agricultural materials . . . and to make recommendations to the governments of the United States of America and the United Kingdom to respect of any such question." The Board is also directed to bring other members of the United Nations into its councils in order that it may "work in collaboration with others of the United Nations towards the best utilization of their food resources." "In principle," the executive order concludes, "the entire food resources of Great Britain and the United States will be deemed to be in a common pool about which the fullest information will be interchanged."

This executive order gives to the Combined Food Board great scope within which it may grow. It remains advisory in power. But because its chiefs are the heads of their national agencies, the decisions which it reaches in fact are given full executive authority.

And the Board must have this authority, for its work presents some of the most intricate tasks of the United Nations collaboration.

A weak food board is always in danger of being crushed to death between a strong army group, which claims first priorities in shipping

space, and a harassed shipping administration, which yields to military demands. With the exception of a few specialized refrigerator and training vessels, almost no ships sail under a charter to carry food. Food is used only as a balancing cargo for other shipments. Yet food is vital for the peoples of England, of the Near East, and of neutral countries. So an immense administrative problem is created; the directors of the United Nations food supply must follow closely the strategy of the war, being ready at any moment to take what they can get.

As the war strategy changes, every aspect of food strategy must change. Before December 7th it was necessary for Britain to import great quantities of sugar and wheat 10,000 miles from Australia. Both were available in North America one-third of the distance away, yet the shipping space was available in ships returning to England, and had to be used. If through submarine warfare and the destruction of shipyards, the available shipping tonnage should get so low that Britain's minimum food vessels are threatened, then all of her shipping must be transferred to the North American run, and all of her imported foodstuffs brought from the United States in order that the smaller cargo fleet may concentrate on a shorter run. But this transfer of the food consumption of 40,000,000 people means an enormously increased burden on America's 12,000,000 farmers. Without some preparation it would be an intolerable burden. Yet food production is determined twelve months to two years ahead of the time that the food supplies become available. So it is necessary for the Food Board to foresee, as far as it can, the developments of military warfare.

To be prepared for changes in military strategy, the Food Board may attempt to pile up production ahead of time by rationing in the producing country. Or the Board may accumulate large reserves of foodstuffs in ever-normal granaries.

But the shutting down of consumption means the close correlation of the Board with a rigorous rationing system, and the accumulation of reserves is limited by the perishable nature of most foodstuffs. Because of the limits upon foresight, it is necessary for the Board to achieve the maximum international flexibility by bringing about as high a degree of integration as is possible of the economies and the consumption habits of all of the territories of the United Nations which can be equated through reliable shipping routes. That is the long-term objective of the Combined Food Board.

To attain this objective, the Board must work with nations other than Britain and America. These nations are brought into the Board's many executive committees. In its committee on agricultural seeds is a representative of the Canadian seeds administration. On its oils and fats committee and its wheat committee are the oils and fats and the wheat administrators of the main United Nations producers for export and some neutrals. The agreements which are reached in the committees are arrived at by each national administration, but through the authority granted to the Board to require as much information as it needs from each administrative agency of the Allied countries, it calls for constant reviews of the production, allocation, and stocks of agricultural commodities in each country, and so is able to determine whether its decisions are being carried into effect.

Organizing the Flow of Raw Materials. On the efficient organization of the flow of raw materials to the United Nations depends the level of production, and, still more important, the maximum utilization of shipping space. And because raw material shortages have been the principal bottleneck in war production, the expansion of the world's production of raw materials is a vital task.

This is the responsibility of the Combined Raw Materials Board, one of the three joint boards that was created at the close of the Roosevelt-Churchill conference on January 26, 1942. The executive order creating the Board directs it to plan "the best and speediest development, expansion, and use of the raw material resources of Great Britain, the United States, and the United Nations" and the order adds that the Board's recommendations will be carried out by all parts of the respective governments.

Like the Food Board, the Materials Board, though it possesses its own means of follow-up, is not an operating agency. Its purpose is to go after raw materials that are in short supply, principally in order of their shortness. Where raw materials are desired in an unmanufactured form, as in the case of synthetic rubber, the Board allocates the flow according to the lists of requirements that are brought before it. Its purpose is to see that its assignments of materials shall result in a maximization of the total war production of the United Nations.

To do this it must know in detail the efficiency of the national industries to which it assigns materials. It must know also the kinds of production that are needed. America, for example, may need her marginal supply of synthetic rubber for military trucks; Britain may

need the same rubber to equip fighter planes. So the Board must find whether the United Nations as a whole are more in need of another 2,000 British fighters than another 900 military trucks.

The Board must learn also the latest information concerning the probable length of the war, for the priority ratings given to each use of materials may vary according to the time at which peak production is called for and the conclusion of the war is foreseen. It may take four years for a bauxite field surveyed by the Board to produce bauxite. Meanwhile the construction of the mine will use steel that could go into urgently needed ships. If the war is a four-year war, bauxite may become a worse bottleneck than ships, so the plant may be necessary even if today ships are most urgently needed. But the critical year of the war may still be 1943 and not 1946. For guidance on this the Board must turn to the Combined Chiefs of Staff.

Just as the Combined Chiefs of Staff determine materials policy, so the Materials Board influences shipping policy. For example, the main imports of the Middle East are foodstuffs. But they are bulky shipments and require a great deal of needed shipping. If the Materials Board ships 50,000 tons of fertilizer to the Middle East instead of 50,000 tons of cereals, it may save shipments of 100,000 tons of cereals in the following year.

In the same way, the Board re-routes ships, just as the shipping authorities revise the flow of materials according to shipping considerations. If the Materials Board is not awake, America may import wolfram from Portugal and ship it back to Britain in the form of tungsten. Britain may import tin from Bolivia and ship it back to Argentina in the form of tin plate. Until the Lend-Lease Act was passed, Britain's need for foreign exchange actually compelled her to force her exports, in the middle of the war, to countries which the United States could have supplied. The task of the Combined Raw Materials Board has been to reshape ruthlessly the flow of materials so that shipping space may now be saved.

To do this the Board abrogates all sovereign control over vital raw materials. The rubber plantations of Ceylon, for example, are owned by Britain. But the Board now determines how Ceylon's rubber production will be divided, and its decisions are binding.

It is necessary, too, for the Board to obtain increased production of raw materials. It has power to demand what information it needs from British and American sources, and if it decides that American

copper monopolies are not mining as much copper as they should in Chile, it may recommend that Chilean production be investigated, either through Chilean government sources, or through the War Production Board and the companies themselves.

The Materials Board is led, also, into the rationing of demand. One of the principal functions of the Materials Board is to ration civilian consumption in all neutral countries. Like the Food Board, it sets its quotas for the Middle East, and one of its principal purposes is to prevent the allotment to neutrals of more than their minimum needs. In the Board's early days it discovered that America was supplying the Argentine with large shipments of copper sulphate, completely ignorant of the fact that Britain was doing the same. The Board must prevent this waste. It must also prevent waste in Britain and America.

Throughout 1940 and 1941, while the Japanese threat was steadily growing, American ships were bringing almost 1,000,000 tons of rubber into the United States alone. But through the shortsightedness of our government, and the conniving of industrialists who fixed the government purchase price of rubber at a rate below the competitive level, the rubber flowed into civilian consumption and was squandered. When the Japanese struck, British and American sources of rubber were cut off, and their stocks were desperately low.

Now it may be necessary for the Combined Raw Materials Board to insist that civilian consumption be forced down, even when there is no apparent shortage, in order that stockpiles of strategic materials may be created. In the same way, the Food Board may demand that fats and oils be rationed against a future day.

The Organization of Shipping. The direction of shipping is the most critical responsibility of United Nations supply and its most heart-breaking task.

From the moment that Germany failed in September, 1940, to bomb Britain to her knees, she turned to submarine warfare as a means of starving Britain into surrender. Even in September, 1940, Britain was short of shipping, but from then on the shortage became a famine. More than once Britain had to forego a month's supply of imported foodstuffs in order to obtain the munitions necessary for her safety.

Since September, 1940, Britain and America together have built perhaps 9,000,000 tons of shipping. They have lost about 13,000,000

tons. Against these losses, the demand for shipping has soared upwards. First, there was the enormous need of Russia for shipments which could not be met from any Russian source. Then America's entry into the war drew a great part of our ships from Europe to the Pacific and diverted a third of our entire merchant fleet for army use. Ever since December 7th the nightmare of every Allied government official is that our production will continue to mount, but that we shall have no means of carrying it to the battle fronts. Often the warehouses of each of our seaboards and our inland junctions are piled with munitions for which no ships are available.

Our ships that go to the Middle East can make no more than three round trips a year. The ships that go to Murmansk and Australia can make few more. So the maximum utilization of each ship is vital. Yet even today we are unable to operate our ships at more than 70 per cent efficiency.

Until the creation of a joint shipping administration, the efficient operation of ships was an almost hopeless task. American and British shipping were entirely independent, and what co-operation there was between our two fleets was altogether haphazard. British ships were broadly directed according to Britain's needs, but our ships remained in private control and ran simply on the most profitable runs. Even where our ships were chartered by our government, the government possessed no agency that controlled foreign trade and no real control over shipments. The Interdepartmental Priorities Committee which was established in the War Production Board issued priority ratings for imports, but shipowners did not observe them. In the absence of direction, tobacco and rugs continued to flow in from Turkey when chrome and medicinal opium were urgently needed by the army. To end this intolerable situation, the Combined Shipping Adjustment Board was created at the conclusion of the Churchill-Roosevelt conference of December, 1941, to pool and to direct British and American shipping. For three months it led a miserable existence, due to the utter mismanagement of our own national shipping administration by former shipowners. But finally, in March, our ships were requisitioned by the Government and the War Shipping Administration was formed as the counterpart of the British Ministry of War Transport.

A weak shipping board is always in danger of being taken over entirely by the army. The army's desire is that all ships shall be avail-

able for troop transport and those that are not used for transport should follow the troops. American soldiers may sail for England after eight months' basic training with their own weapons in American army camps. Then they may train for six months more in Britain before they are transferred to Egypt, Syria, or India. Naturally the army wants all of the weapons which a division may use to be shipped with the division to England and then transported as unit equipment. The task of the Combined Shipping Adjustment Board, so long as shipping is short, is actually to break up army training and strategy and to insist that the equipment be taken to the Middle East in one run so that shipping space may be saved.

The Combined Shipping Board must struggle also with the navy. It must resist the constant pull of the navy to create its own independent merchant shipping pool for provisioning naval posts and for transporting marines. It must resist the steady drive of the navy to take over all merchant ships on the ground that their officers are ill-trained and their crews inefficient, undisciplined, politically unhealthy, and utterly unworthy of their rate of pay, which is many times that of naval crews. The Board must also resist the natural unwillingness of the navy to divert its vessels from combat to convoy duty. It must constantly revise shipping routes to reduce sinkings through submarine action, and it must plan major revisions in shipping strategy, such as the creation of three or four well-guarded sea lanes across the world in which all ships travel, as opposed to a thousand routes, chosen voyage by voyage, in which the submarines find the gaps where one naval convoy breaks off before another begins its protection.

The Combined Shipping Adjustment Board must struggle lastly with all of the Joint Boards. These Boards are concerned with the most direct flow of supplies and each is anxious to press its needs. The Food Board has accumulated stocks of foodstuffs that may spoil unless they are shipped quickly to Britain. The Board dealing with production asserts that the heavy bomber programme will be held up unless a stockpile of bauxite is cleared at once from New Guinea. The Materials Board insists that unless the stocks of a rare drug in Turkey are moved immediately the Germans will get them.

The Pooling of Knowledge. By joint action we feed and clothe the people who are producing for the United Nations. By joint action we organize and collect their production and transport it to our centres

of manufacture. By joint action we decide whether the copper of Chile is to be turned into tanks or aircraft carriers.

But what kind of tanks? Now that our resources are fully mobilized, the perfection of what we produce is the major problem that we face in production.

It will be seen as one of the decisive technical contributions to the winning of the war. But it is not an American contribution. Each Sherman that goes into battle takes with it countless hours of the skill of British and American designers who united to produce it.

The basic prototype of the General Sherman was the twenty-five-ton General Lee. The Lee was developed by Americans in 1937 and we believed it to be the best tank in the world. We concentrated our production upon the Lee, we applauded as films showed hundreds of Lees rumbling off the production lines, twisting on the proving grounds. We could not know that the Lee was a ghastly deathtrap.

In the battle of France the British Mark VI tank went into action against the German army. It was badly beaten and it exposed deadly faults. Britain at once ceased production of the Mark VI. But when British tank officers who had been through the battle of France came to America to form the Armed Vehicles Division of the British Purchasing Commission, they found that all the faults of the Mark VI were repeated in our General Lee.

The main gun of the Lee was a low velocity of 75 mm. gun, incapable of throwing armour-piercing ammunition. Worse, with a traverse of only fifteen degrees, it was a fixed gun. The turret of the Lee contained only a small 37 mm. gun, also of low velocity. On top of the turret was a rotating cupola.

The Americans could not know what these characteristics would mean in action. The British knew that a rotating cupola would be blown off its bearings at the first hit made on the tank, that the 37 mm. gun was absolutely useless, that the main gun was incapable of disabling German tanks, and that, because it could only fire forward, a formation of General Lee tanks could be completely destroyed by the enfilading fire of enemy tanks that crossed behind it.

The tank unit in the British Purchasing Commission at once undertook to rebuild the General Lee. It was impossible to place a turret on the Lee chassis big enough to carry a 75 mm. gun that could rotate. So the British redesigned the Lee to keep the original big gun to fire forward, to fire also a small, high velocity gun from a new turret

without a cupola. The British Purchasing Commission financed the design, built the new plants, and carried the modified tank to production on its own resources. It created the General Grant tank of 1940 that held the German tanks at El Alamein.

The next move of the British was to persuade the Canadians to produce a new pilot tank that could later be adapted for American mass production. Its turret was cast instead of riveted, and it was big enough for a 75 mm. gun. It was called the Ram.

Finally when the Ram was tested it was possible for the British to design the Sherman. Americans could produce an unmachined casting for the final drive housing of a tank so beautiful that it brought tears to the eyes of the British. But they didn't know how to bake a steel turret. To bake the armour plate required huge ovens that could not be built new. It remained for a Scotsman to discover that the manufacturers of enamel-plated baths could make the turrets. So the British-designed turret of the Canadian prototype was produced by a Scotsman, to be placed on the American General Lee automotive foundation, with a British high velocity 75 mm. rotating gun to become the General Sherman tank.

But the soldiers who take the Sherman into battle now will never know what battles were fought to bring the Sherman into being. Every consideration of prestige and national pride had to be broken down in our army. There were countless officers who could explain why cupolas were necessary, why big guns need only fire forward, why high velocity guns were no better than guns of low velocity. The British knew that when a tank goes into combat its four-man crew must concentrate on one objective. But every officer of the War Department was willing to explain how by giving the top man an anti-aircraft gun, the pilot the heavy gun, the two crew members a light gun and a machine gun, the tank would simultaneously shoot down the enemy planes that would be over it, destroy the tank in the distance ahead, blow up the tank barrier to the right and mow down an infantry group that would be waiting on the left. Those notions seem insane in history, but today they cost battles and take thousands of lives to resolve.

Throughout the American war effort, the influence of the British Purchasing Commission on what we produce has been as profound as the influence of the War Production Board on the means by which production is achieved. They have given us our high altitude aircraft

engines, our high muzzle velocity guns, our Bofors anti-aircraft gun. We have often modified production in the light of the British analysis of current battles. Through this co-operation, our entire air force is directed by the British invention of radiolocation, the most revolutionary development of the war.

Planning Production. "There must be a complete fusion between military plans and thought and production plans and thought," the British Minister of Production states. This fusion must also exist between the United Nations. Before we can produce a new anti-aircraft gun we should know whether the Chinese are trained to use it; whether the Russians can produce spares for it. Before we convert the tractor industry we must know how many tractors Britain and the Near East will need the following year for food production the year after. Constantly, in Britain and America production runs ahead on the same lines and falls behind on the same lines. Constantly we need to bring both programmes back into balance. But more than balance is needed; the full integration of both nations' resources is demanded by the prosecution of the war. Caught between what it can get from the materials and shipping boards and what it must give to the Combined Chiefs of Staff, the Combined Production and Resources Board rearranges the structure of the Allied war efforts to form one pattern.

The Assignment of Munitions. In the final assignment of munitions the needs of each front and the resources available for all fronts must be brought together. This is the crucial task of relating strategy and supply. Strategy is the eyes of the United Nations; supply is its physical strength. Strategy alone is like a cripple who can see but who cannot move; supply alone is like a blind man who though he can move cannot see where he is going. They must move forward together; the blind man must carry the cripple if either is to live.

The unification of strategy and supply must be achieved both on the national and on the supranational level to be effective. To provide this link on the supranational level is the task of the Munitions Assignments Board; the Board in Washington for American production, and the counterpart of the Board in London for British production.

The Board must estimate requirements. The statistical division is given the present and future requirements of each supply base, the inventories held by each base, and estimated inventories according to new arrivals and losses in combat; the reserves, which are finished

weapons allocated but not yet arrived, and the total production of British and American arms which is expendable.

There is of course a constant tendency for the American army to overweight its own importance and for British staff members on the Board to overestimate the Empire's needs. So in the absence of wider representation, the situation arises in which Harry Hopkins as the Civilian Chairman of the Washington Board acts as advocate for the Chinese and the Russians. This system is still far from complete.

The Prosecution of Economic Warfare

In the early days of the war when most of the world was neutral and military warfare was limited in scope, economic warfare was one of Britain's most powerful weapons in fighting Germany. Britain and Germany waged economic warfare in Spain, where both nations tried to corner supplies of tin, mercury, and iron ore; in Portugal, for tungsten; in Turkey, for Turkish chromium, tobacco, and opium; in Latin America, for industrial raw materials, foodstuffs, and petroleum; in the Near East and Africa, for strategic materials and fats and oils. The British Ministry of Economic Warfare began its campaign at the sources of supply. In the Baltic countries, which exported to Germany, Britain sought to control exports through rationing imports. In countries such as Spain and Turkey, from which transportation to Germany was more difficult, Britain undertook preclusive buying. Trade between neutrals Britain governed through her system of navicerts and aircerts, which, in effect, were British government licenses for the foreign trade and communications of neutral countries. The force of this system rested always in the power of the British navy to institute a total blockade.

While we were still a non-belligerent, America aided in the prosecution of economic warfare against the Axis by freezing all Axis and Axis-controlled funds in America, by instituting our own blacklisting system and breaking up German corporations, and by easing the burden of the British navy. Since we were concerned in accumulating stocks of strategic materials, we also undertook the purchase of Turkish chrome and Spanish ore that might have fallen into German hands. Where we were powerful, as in Latin America, we purchased on our own account and resold to the British. Where the British were powerful, as in Turkey, they purchased and resold to us.

Our entrance into the war gave a final recognition to this joint

co-operation. On January 14, 1942, we concluded with Britain and Canada an agreement for the co-ordination of all of our blacklists. On the London Blacklist Committee of the British Ministry of Economic Warfare the lists are compared and revised in order to bring them together. On our own Proclaimed List Committee the revisions are checked with our administrative agencies. In the same way, on the informal British-American Blockade Committee that meets at the Board of Economic Warfare, the British system of navicerts and aircerts has been merged with our own system of export licenses to complement the joint committee already operating in the Ministry of Economic Warfare in London. These committees draw up quotas for neutral countries and decide what part of the quotas Britain and America will supply in order to save the maximum shipping space. Through the joint action of the British Ministry and our B.E.W., preclusive buying is directed even to the point at which, as in the case of Peru and Colombia, we have purchased the entire exportable surplus of these countries.

As neutrality is forced out of the world, the blockade is replaced by the development of foreign resources, and preclusive buying is succeeded by the positive organization of the welfare of small countries. In this, our joint machinery is still inadequate.

The Prosecution of Political Warfare

The aim of political warfare is to create a front within enemy-held territory, and to win the support of neutral peoples. Its weapon is what R. H. Tawney called "the arm of the spirit."

Certain rules govern all political warfare. To be effective it must be related as closely as possible to military strategy, usually anticipating it; yet it must never indicate what military strategy is being followed. Also, political warfare must possess its own strategy. Yet while each broadcast may be picked up by the enemy, the overall pattern of political war must be concealed.

But beyond this, the prosecution of political warfare breaks sharp and becomes Fascist or democratic in character.

One main difference is that the Nazis have no allies within the democracies (save in America where they place their poison in the columns of the appeasement press). Consequently their main aim must be to achieve the maximum social disintegration and to destroy the will of the individual to fight.

The United Nations in contrast have the entire peoples of the Axis-held countries as their allies. Their aim is to unite all groups in one movement, and to create in individuals a new will to fight.

Another difference arises out of the nature of Fascism and Democracy. One source of strength of Fascism in the past has been its complete negation of any moral principles—consequently it need never be consistent. It can present itself to workers as a socialist movement and to employers as the destroyer of free labour. It can present itself to Catholics as the great enemy of Communism and to anti-clericals as the bearer of social revolution that will sweep away the Church. In the week after the return of Sir Stafford Cripps from Moscow, one German broadcasting station announced to Britain that Cripps was "Stalin's agent come to bolshevize Britain." Another Nazi station pretending to be within Britain cried: "Watch out, Stafford, the Tories will get you yet!"

In contrast, the democracies assert that they are fighting to uphold moral values; consequently, they must limit their appeals. They cannot for example, appeal to the radical wing of the Nazi party on the basis that Hitler has not carried through the 26-point programme of the N.S.D.A.P.; nor can they voice the resentment of Austrian soldiers that the highest military decorations are given only to German troops while Austrian heroes receive only minor medals; for if they give expression to these feelings the democracies would alienate themselves from the mass of the European peoples. The democracies instead expose the inconsistency of German propaganda. They rebroadcast to France the German broadcasts to Italy. To Italy they broadcast Hitler's promises to the French Government; so they expose the false nature of the German promises.

Yet there is great danger that the broadcasts of the United Nations may also be contradictory. The free governments are inclined to promise to their peoples the restoration of their empires while we are promising independence to the empire peoples. Russia was inclined early in the war to insist that Fascism was no more than the "highest stage of capitalism" and to denounce American and British imperialism in broadcasts to the Middle East and Latin America. In return we denounced all forms of "totalitarianism" and indicated that Communism and Fascism were essentially the same.

Between Britain and America a unified direction of political warfare was swiftly achieved after Pearl Harbour. It brought together

some of the most militant executives in both governments to agree on a common programme. Together these men made constant attempts to bring about a common strategy with Russia. This common strategy has not yet been achieved.

Political warfare is a most sensitive indication of the degree of unity achieved in the war. Political warfare should be the finest method of bringing the Allies together to determine what is the common denominator in their war efforts that can be expressed in political terms. We have been unable to do this because the disparity in our purposes is still so vast. On a professional level we have been able to unite, as in the brilliant scientific congress held in London in 1942. But we have been unable to raise this unity to a higher level. Our political warfare has been thwarted so far by the complete absence of any content beyond the negative approach of attacking the Fascists. Our appeal should be based on our plans for the future; yet we have no plans.

Post-War Planning

The United Nations have made the first faint beginnings at post-war planning, principally for the immediate problems of relief. In London late in 1941 Britain, Russia and the free governments met to establish an Inter-Allied Committee on post-war requirements. The conference passed resolutions committing each Government to co-operate in the relief period and—over the protest of the Soviet Ambassador, who asked for a representative executive—it resolved further that “a bureau should be established by His Majesty’s Government in the United Kingdom with which Allied Governments and authorities would collaborate in making estimates of their requirements, and which . . . would present proposals to a committee of Allied representatives. . . .” The Bureau was established *under* the British Government. It gathered together the best technicians of the free Governments. It drew estimates of relief and raw material needs; and it went further into the reconstruction of agriculture through co-operatives and land reform. But the Committee was never called.

But in wartime acts count more than plans. A really significant act for the future was the conclusion in July, 1942, of the World Wheat Agreement.

Wheat has been the knife-edge of world disorganization. From the world carry-over of less than 300,000,000 bushels in 1938, the surplus stocks of wheat had risen, by July, 1942, to one and a half billion

bushels. This surplus hung like heavy smoke over an uncontrolled world. "Wheat tends to be faced with an explosive competitive situation in the post-war period," said the Department of Agriculture."¹

The agreement, the "Washington Charter for Wheat Growers and Consumers the World Over," as the Department of Agriculture calls it, provided for three new departures: it established a wheat pool of one hundred million bushels of relief wheat to be distributed without cost after the war; it provided for the stabilization of world wheat production at high levels through the allocation of quotas to the main surplus countries; it created a wheat council to determine wheat prices² and to enforce the quotas—this is the essential point of the agreement—by directing importing countries to refrain from buying in a market which exceeds its quota. Because Governments operate the agreement it is a new beginning in world planning, at the heart of the region in which world planning is most urgently needed.

IV. A CRITIQUE OF THE UNITED NATIONS

The machinery of the United Nations is of extraordinary importance to us because it demonstrates the earliest techniques of an organization which may become a federal government of the world. The lasting significance of the United Nations is that we have brought into being in the war this world organization. We have proved through the armies of the United Nations that there is a will to unite among nations. We have proved by the administrative structure of the United Nations that it can possess a world framework capable of sustaining its will. This framework cannot itself prevent a relapse back into world anarchy if a will to relapse arises. The machinery that we have established has shown simply that there are no administrative barriers between us and a world government if the will to world unity exists.

But how deeply has this will to unity in the concept of the United Nations entered the consciousness of every man:

The riveter in the shipyard in Portland wipes his forehead and looks up: "I've heard of it," he says, "but I can't see it. I can't feel it. I can't sense it. What is it? Where is it?"

¹ "New World Wheat Agreement," *Agriculture in the Americas*, August, 1942.

² The determinants of price are (a) remunerative price for producers, (b) fair prices for carry-overs, (c) prices that are in relation to the general world price structure, (d) allowances for exchange variations and transportation costs.

And the riveter is right. The United Nations still has no body, no voice, no future of its own. It is not yet clear to its own peoples.

To criticize the United Nations for lack of coherence is like criticizing a newborn child for its inability to carry on a conversation. Our child is still barely conceived.

Yet if it is to live through the hard shocks of the world, we have got to find what are its sources of strength, what makes it grow.

The Will of the United Nations

The common will of the United Nations is based on the Atlantic Charter. All other agreements have been made with reference to the Charter's terms.

When the Charter was signed it was as bold a statement of war aims as could be hoped for. America was still at peace with Germany and was committed to no international authority, let alone a world authority. Britain was not then capable of imposing any will, let alone a democratic will, on the rest of the world.

Now that the United Nations is a world force, capable of world organization, strong enough to reject universalism as such, we have grown beyond the Charter.

The most dangerous weakness in the Charter is Article Three. It provides that the signatories of the Charter "respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them."

In two slashing strokes this Article cuts away a part of the foundation of a world organization. Firstly, it guarantees "self-government" without reference to the principle on which government is based, and further guarantees the right of peoples to choose their own form of government without limiting the possible forms, or the ways in which choice may be expressed. Secondly, the Charter guarantees the restoration of sovereignty. Both of these guarantees fly in the face of history.

There is no case in modern history where a people have voluntarily chosen Fascism as a form of government under which to live, certainly not with their eyes open. There is also no case in all history where a dictator has not claimed that he was in fact chosen by his people. Without qualification as to the way in which the choice is expressed, Article Three may be the forcing wedge for the return of Fascism to the world.

A second major source of frustration in the Atlantic Charter lies in Article Four. It provides that the signatories "will endeavour, with due respect for their existing obligations, to further the enjoyment of all States, great or small, victor or vanquished, on equal terms to the trade and raw materials of the world which are needed for their economic prosperity."

But "with due respect for their existing obligations"! What does this mean? It may mean anything from the perpetuation of all the existing tariff and quota barriers to guaranteeing the international property relations of 1938. It would be far better, if we intend to return to the world of 1938, to say so now.

As against these guarantees of property rights in the Charter, there are no assurances to oppressed peoples that they will be freed. The Chinese are whistling bravely when they interpret the Charter as the promise of their freedom and the freedom of all Asia. We in turn have been ominously silent when further amplification has been sought.

There is a third main danger in Article Eight of the Charter, which foresees the enforcement of peace by disarmament "pending the establishment of a wider and permanent system of general security." This is dangerously ambiguous in its repetition of a slogan of the first World War, not because it punishes the Axis unfairly, but because it may be seen as the postponement of a general settlement to an indefinite date. This postponement was, of course, inevitable when the promise was made; but now the note has fallen due. We cannot talk any longer of "cooling off periods" as a means of postponing action.

For "*Just leave a baby to cool off,*" says the housewife in Birmingham. "*You come back and you find that it's dead cold.*"

Our will grew before our strength. Now our strength has overtaken our will as we have expressed it. It needs reaffirmation in world terms, and it needs a means of enforcement in the identity of the United Nations by which the will to live is driven deeply into the consciousness of all men.

But this will can no longer be expressed in terms of generalities. It needs specific guarantees of human rights everywhere if it is to be nourished. The Atlantic Charter is all right if it is explained. But "*I work in the fields all day,*" the Shansi farmer says, "*and when I get home I'm tired. I want something I can understand without it being explained.*"

We shudder at the cost in our privileges of the commitments that all peoples are demanding of us.

(But "*Nothing was ever born without suffering pain,*" says the old woman on the porch in Cape Cod.)

We hesitate to disturb the unity of the United Nations by raising now issues which may be left until victory is won. We think if we can keep our noses on the grindstone, we shall scrape through. But it is precisely this uncertainty concerning the future that is preventing real unity in winning the war.

(And "*No baby can even breathe until it's slapped,*" the young mothers in Washington and Melbourne say. "*No baby ever was even safe until it cried.*")

The Mind of the United Nations

For three long years in the last war the Allies suffered defeats; in 1917 the defeats culminated in the disaster of Caporetto. Then a crisis arose which compelled the Allies to lift the prosecution of their war to a new level by providing for a unified command.

In the same way, in this war we have talked about a united command of the United Nations; we have passed resolutions about it; and we have not achieved it. We are still in the realm of speech and rhetoric. Our war is also one continental war at heart; and we too have been fighting four separate wars. There is the war of the Near East and Europe which Britain and America have fought together; the war of the South-west Pacific which America has largely fought; and the entirely separate wars of China and of Russia. Between these wars there has been an interchange of materials and weapons, but there has been almost no interchange of information and ideas.

We have two central commands. The Combined Chiefs of Staff and the Pacific War Council. Of these the first is potent but unrepresentative, the second is partially representative and almost wholly impotent. The Combined Chiefs of Staff was created as a mechanism of Anglo-American co-operation. The Pacific War Council was created—in a rather begrudging manner—to pacify the turbulent Australians. Instead of being a link between the present and the future the Council is a link between the present and the past. For, of its seven members, four are career diplomats and only three, Walter Nash, T. V. Soong, and President Roosevelt, are really competent to discuss strategic questions.

Nowhere have we created one command for the United Nations. Our justification for excluding the Chinese and Russians from our

joint machinery is that the problems which we face are so vast that they would become insuperable if the close-working relationship of British and American officials were diluted by the inclusion of unintelligible and alien-minded foreigners. Yet what do we lose now in strategy by the absence of these foreigners?

In the absence of detailed information, the formation of strategy is a haphazard procedure. The opening of a second front in Europe, to be fully effective, must be timed perfectly with Russian operations and suited to our joint needs. In planning our second front offensive, we have possessed little vital information. We have not been told the size of German and Russian forces on the Eastern front; we do not know what is the situation behind the Russian lines. We have had to plan our offensive in darkness and when our troops go into action, they go without benefit of Russian experience. For our scattered observers in Russia have been given almost nothing. There are influences in America and Russia which are working to forbid the closer relationship of our Governments. But "*Hell!*" says the lumberjack in Oregon. "*How can we fight a war if we don't trust our allies?*"

Our failure to bring the Chinese into our central strategy councils has been almost as damaging. It is impossible for British and American officers in Port Darwin and Washington to develop a Pacific strategy even with the liaison that we possess with China. In the absence of Chinese participation, basic policy is made by officials in the War Department who present the Combined Chiefs of Staff Group with alternative plans. But these men alone cannot balance the known factors of secure and distant bases of attack upon Japan, in British and American hands, against the imponderables of operating from within the vast and dim interior of China.

We have—Lord knows—suffered our Caporetto's. We need now a unified command for our world armies.

The Body of the United Nations

Since the creation of the United Nations the slow growth of world organization has become an onrush. It is now a force with its own character in the joint boards.

The first major achievement of the joint machinery is that it has proved that a system of common controls need not be dependent upon the existence of one predominant nation, but may be adminis-

tered by a combination of powers through a democratic division of responsibility.

This becomes clear in any analysis of the joint boards. In most of them America has held the balance of power while the British Empire has retained the structure and the experience necessary for world organization. This struggle between London and Washington to determine which shall become the centre of the United Nations effort might have wrecked the entire system of controls. Instead it has led to a real pooling of resources and a real division of responsibilities.

The Combined Chiefs of Staff Group depends upon their joint intelligence in the formation of their strategy. There are British and American agents in Europe and American and British agents in the Pacific. But the combined Intelligence of the group decides that Europe and the Middle East will be entrusted to British Intelligence, and the Pacific to the American. In the same way, the Group divides functions of planning and military command.

The joint supply machinery is based on representative councils in the Middle East that are channelled through a British supply system, and similar councils in Latin America that are centred in Washington in the same way. The Combined Raw Materials Board delegates responsibility for Middle East strategic materials to Britain, Latin American and Canadian materials to the United States. The Munitions Assignments Board, in standardizing types, accepts British judgment in designing our fighter planes and the British accept our judgment in light bombers.

The British American Blacklist Committees both have their own blacklist and export licensing systems to start from. But in fact we accept British judgment for Europe and the Middle East, while Britain respects ours for the Western Hemisphere. So in most cases of production and planning, our minds and our resources are pooled.

Clearly there is no reason why this system should be limited to Britain and America. If Russian lines hold and the Nazis weaken, Russia may become an important supplier of synthetic rubber. Australia is already a principal supplier of wool, New Zealand of dairy products. Through the system developed in the joint boards, responsibility may be distributed among the United Nations and administration decentralized, always subject to central review. In the same way, the determination of strategy may be based on the special experience and skills of the major United Nations powers.

Yet we are failing to apply the lessons of our own experience, and this is our first great failure. For in their entire make-up, the joint controls are not United Nations, but Anglo-American controls.

It was altogether natural that over the past two years, the slowly maturing friendship of Britain and America should have grown to a working union between our two Governments. We have been the main suppliers of the United Nations, and the necessity of joint action has overcome the national antagonisms and personal jealousies that have remained to divide us. Without this joining of our two forces, a wider union in the prosecution of the war would have been inconceivable. In itself this union contains a magnificent promise for the future. Yet it too is weak.

In the absence of unified strategy, unified supply can have little meaning: it is related to no overall purpose and so it remains blind.

The Russians suspect us still, and are reluctant to exchange military information. Yet without Russian participation, the joint boards must work in darkness.

Still more important, we cannot allocate our production on any regional basis between the Russian front and other fronts. Russia, for example, may submit to the Munitions Assignments Board an urgent request for 900,000 pounds of nickel which she asks be given an A-1-A priority. But our total monthly inflow of nickel may be only 1,700,000 pounds, of which 900,000 is already allocated on the highest priority rating. With the 900,000 pounds we could build 300,000 shell casings. What can the Russians do with it?

The Russians will not tell us. The chief of the Russian Military Mission has no authority to tell us: probably he does not know. We press him; he wires to Moscow and is refused information. What are we to do?

We try to guess what the Russians will use the nickel for. Will it be for armour-plating cruisers, or for the hulls of tanks, or the protection of armoured trains? Are these more important to the United Nations than 300,000 shell casings? Inevitably the decision ceases to be military and becomes political. But even on the political level there is no common council. If the President dares to, he may refuse the request; if he senses that the Russians are endangered and angry, he grants it.

With China a similar loss arises from lack of Chinese representation on the joint boards. If Russia has been the suspicious outsider

in the joint machinery, then China has been the impoverished beggar, pleading for sustenance and receiving just enough to drag out the barest existence.

The Chinese problem is not the same as the Russian. China is far too dependent on us to withhold information or make demands. But throughout the war China has probably received less arms than the needs of a truly unified strategy would dictate. We exploit China in wartime, assuming that whatever happens she must continue to fight. Through this exploitation we create a vicious circle in which her status is steadily driven down.

But just because the Chinese are to be given nothing, they should be there! For the humiliation of China is not that she should be denied arms, but that she should be denied them without ever having had the chance to present adequately her case.

Over and over in the past year we have tested to the utmost China's will to continue her struggle. Through China Defence Supplies, China may submit to the War Department a request for 5,000 armoured trucks. Since we possess stocks of these trucks and more are being produced, the Munitions Assignments Board grants the request, and allocates the trucks to be delivered in six months' time. Then, on the basis of this shipment, an offensive is planned in Chungking. Strategy is revised. Troops are taken out of the front line to be retrained. Industrial co-operatives turn to making special equipment for the trucks. Supply lines are relaid. Then, a few weeks before shipment is due, the Munitions Assignments Board reverses its decision and informs China Defence Supplies that China cannot have the trucks. Perhaps they are needed more urgently in Australia; perhaps there are no ships available for the China run while a ship about to leave for Egypt can take the trucks there for immediate service. So the promise to China is broken—as it is often broken. The point is not that the decision was mistaken: it may have been in China's own long-run interest. The point is that China's representative must cable Chungking that all of its plans were for nothing; that once again a commitment to China has been ignored, at a meeting at which he was not even present to assent, for reasons which he is not even told.

If we had thought in world terms over the last year, we would have gone to our Allies and said: "Here are 4,000 anti-aircraft guns, or 90,000 rifles; you need them and you shall have them!" Then we should have developed a world sense in all of the United Nations.

Instead we have made each one fight for everything he could get, and so have inflamed their national consciousness by our own national bias.

We made the United Nations fight for what they wanted. And they fought. South China and New Zealand fought; Australia fought ferociously and successfully for new plants. Only India failed to fight for allocations to defend herself, for there we recognized no fighters. There is no Indian-officered army to claim more arms before the councils of the United Nations, great as India is. There is no responsible Indian Government to press for more supplies. Indian industrialists may claim in their Congress that we are not realizing India's industrial potential. But the distance between these protests and the centre of authority in our war effort is so great that, in the miles between us, what truth there is in these charges dies on the winds.

There is a final source of weakness in the joint boards. Again, it is no criticism of the boards—for their growth has been amazingly swift—it is simply an indication of the way in which this growth must be accelerated if the boards are to develop with the needs of the war.

Our joint boards do possess power, yet it is essentially a derived and not an original power. They have escaped from the interdepartmental committee stage, and reached the council committee stage, but so far they have not yet become supranational bodies in any form. Today our dual personalities on the joint boards are following the 1917 pattern of representing a national viewpoint on the international councils, and an international viewpoint before their own administrations. But because these administrations remain national and independent the national viewpoint predominates. For every one employer of the joint boards there are a hundred officials in the central Governments of Britain and America engaged directly in United Nations work. We are moving forward, but we are moving with the speed of 1917 on the problems of 1943.

The Concept of the United Nations

"By combined action now, we can preserve freedom and restore peace to our peoples. By combined action later we can fulfil the victory we have joined to attain. The concept of the United Nations will not perish on the battlefields of this terrible war. It will live to lay the basis of the enduring world understanding on which mankind depends to preserve its peace and its freedom."

These words of the President could fire the entire world and open great rifts in the Axis if they were carried to all peoples. Yet we are not developing this concept. We have summoned the United Nations together only three or four times. And when the United Nations have met, their purpose has been pageantry rather than planning. Of course, if pageantry is our objective, then monarchs and diplomats are more convincing actors in a pageant than fighters and workers, and golden crowns and ermine robes make the most colourful costumes.

The dirt farmer in Iowa grins, "They could never have weaned me on champagne," he says, "I asked for milk!"

Today it is the Fascists more than we who speak of the United Nations. The Fascists are telling the people of Britain that it is a scheme for an Atlantic imperium in which Britain is controlled by America; they are telling Europe that it is a plan for an Anglo-American coalition to rule the world; they are telling the peoples of Africa and Asia that it is a plan for the dictatorship of the white race.

Lies the Fascists speak, but not all lies. The Allies have gathered together in the United Nations, but never as one force; voices have spoken for the United Nations, but never has *its* voice been heard. No one today could say what the concept of the United Nations is that will live to lay the basis of an enduring world understanding on which mankind depends. Yet they are weaknesses not of the United Nations, but of ourselves in failing to see the future and to nourish it. The joint controls of the United Nations have proved that through the regional delegation of responsibility a world economy may be operated in peacetime by the United Nations. The joint controls have proved that so long as an imperative such as victory exists, world executive authority can be operated on a supranational level.

We have proved that the future lies within our power. We need only understand the direction in which we are travelling to bring it about. If we understand the potential power of the United Nations and give expression to it now, then when the smoke of battle lifts, we shall see in its strongest acts the first beginnings of a permanent world structure; we shall realize that our strongest statements of purpose were the first faint birth cries of a free and united world.

"Right!" cry the young soldiers everywhere that democracy stands fighting. "And if that world needs my life then it shall have it. That's the kind of world I can die for, for it's the only kind of a world in which I could live."

CHAPTER SEVEN

WARTIME DEMOCRACY OUR AFFIRMATIVE SOCIETY

Our second war aim is to understand that this war has created in our Western democracies the fundamental conditions of an affirmative society.

How profoundly true this is we may see if we turn back to the foundations of our pre-war society in Britain and America; if we remember them, rotten and infirm as they were just three years ago, if we ask now what was it then that we looked for in the kind of society in which we wished to live.

We wanted first a society in which there was work at fair wages for every man and women who desired it.

Today we are achieving that society.

In the world of three years ago 1939 was a great year. Employment and production were at the highest levels of ten years in America, of twenty years in Britain. Yet even in 1939 unemployment in Britain was more than a million, while in America there were eight and a half million unemployed.

Today in Britain there is a labour shortage. In America our unemployed labour force has fallen to 1,500,000. On the basis of present requirements we have got to find 11,000,000 more workers for war jobs and 2,500,000 more workers for the 1943 harvest. To reach these peaks we are drawing 2,000,000 workers from new resources, housewives, young people, older men in retirement.

But in a deeper sense we desired in 1939 a society in which all of our citizens were being used to the utmost of their ability in producing for our common needs.

Today we are achieving this condition.

We are breaking down the archaic techniques of production that we tolerated because they spread employment. We have broken down monopoly restrictions in industry and pricing systems based on break-even points at 30 per cent of capacity. We are doing away with the agricultural restriction schemes in which soil conservation was often no more than a rationalization for holding production down. We are beginning to realize that our survival depends upon the opportunity

for all of our citizens to develop to the utmost their own capacities. In Britain and America we have undertaken a tremendous expansion of vocational training in the schools and Government shops and within industry.

In the faltering world of 1939 we looked further toward a society based on equalitarian as well as libertarian values. For our democracy and Britain's were cursed by the tremendous inequality between rich and poor. In America, if not in Britain, the concentration both of property and of income in the hands of a wealthy minority was actually increasing. This growing concentration of wealth threatened our democratic institutions and, by reducing the power of our people to consume, increased unemployment. So we demanded a society based upon a more equal distribution of wealth.

Today we are moving toward that equalitarian society.

In Britain today an individual with an earned income of £50,000 has less than £5,000 left after tax. In America our tax structure is steadily becoming more progressive and the distribution of income is changing in favour of low-income groups.

In 1939 the nutritional standards of one-third of Britain's people were below the minimum required to maintain physical health. In America, as in Britain, we possessed no minimum standards of consumption. In clothing, in housing, as well as in nutrition, a third of our people and of Britain's possessed less than the minimum required for the maintenance of physical efficiency.

So we looked in 1939 to a society in which every citizen might be guaranteed the basic needs of housing, clothing, and food, and one in which for these essentials, no man should have more than he needs as long as other men had less.

Today we are moving toward this society.

Our first step toward it was price control, through which we denied to our rich the right to ration the poor and take as much of our scarce supplies as they desired through raising prices. Now as rationing grows in scope we are truly moving toward a society whose values and ways of living are based upon need.

In 1939 we were gravely weakened by the depth of bitterness of our industrial relations and by our denial in America of fundamental rights to 13,000,000 of our negroes. We looked for a society in which there would be some measure of industrial democracy and an end to discrimination.

Now, in our joint labour-management committees and our denial of war contracts to firms practising discrimination, we are moving toward these preconditions of economic democracy.

Lastly, we passionately desired that these changes could be brought about within the framework of a society which guaranteed the civil liberties of all its citizens.

And this we have done. "The public attitude to the exercise of civil liberties," says the 1942 report of the American Civil Liberties Union, "continues on the whole favourable to criticism of the conduct of the war, to the discussion of war and peace aims, and to the rights of minorities. . . . If the experience of England in her far longer war is any indication for us, the United States may well retain under much greater strains than at present those liberties of the Bill of Rights essential to the victory of democracy."

I. THE TECHNIQUES OF FULL MOBILIZATION

This transformation in our society has been achieved principally by an extension of the functions of government. How great this extension is may be seen from this chart:

	GREAT BRITAIN			UNITED STATES		
	<i>(In millions of pounds)</i>			<i>(In billions of dollars)</i>		
	1938	1940	1942	1938	1940	1942
1. Net national income	4,490	5,726	7,384	64.2	77.3	114
2. Public expenditure	811	2,923	4,397	1.1	1.4	52
3. Percentage public expenditure to net national income	18	52.2	59.6	1.9	1.8	46

But this change is not a revolution in figures, it is a revolution in the lives of every American and Briton. In the simplest of instances the Firestone Rubber and Tyre Company plant in Akron produced truck and automobile tyres in 1940. Its management purchased what materials it liked, where and when it liked; it produced what the Firestone Company liked in the way and quantities they desired, to be sold for the prices they fixed. The management paid its workers what it thought was enough; it employed as many as it pleased, when it pleased, and they in turn returned to their homes in Akron to pay the rent fixed by the landlord, the food prices determined by the grocery store. Now the Firestone plant is producing 44 mm. Bofors anti-aircraft guns for

the army. Its materials are allotted to it by the Government at Government-fixed prices. Its product is determined by the Government. It is partially produced in government-built factories, but always produced to Government specifications, for Government use. The plant's production is not fixed, but, in order to obtain more supplies, it must report to the Government just how each material is used. The plant must employ Government-trained workers, at Government-fixed wages under Government-supervised conditions, and with the aid of a Government-initiated factory committee. And these workers when they leave work return to homes for which the Government has fixed the rent and they spend 80 per cent of their remaining incomes on goods for which the Government has set the price. They retain some choice, but the choice grows more and more limited as rationing is extended. And this is only the beginning. It may sound like a journey into hell, told by an ashen-faced businessman to the National Association of Manufacturers. Yet to match these greater services, the Government has asked for no greater measure of loyalty from its citizens. But it has produced a freer, happier, more united, more stable, wealthier America than has ever existed.

In these next pages the new functions of government here and in Britain and Canada are briefly outlined. The main argument of this section is that in every sphere of the war effort where the Government, the legislature, the people have been willing to move without fear toward our future society, we are winning; and that at the same time almost all of our failures may be traced to fear of Government, fear of democracy, fear of the future society that the war is bringing into being.

The Mobilization of Raw Material Resources

In Britain and in America our resources are being fully mobilized under Government control.

Until full mobilization is achieved, the task of Government is to expand production, breaking each bottleneck as it arises by the application of more manpower, or greater efficiency in organization, or by the construction of new facilities. In raw materials, which have always been a bottleneck, expansion in light metals has been so swift that now 80 per cent of our aluminium supplies and 90 per cent of our magnesium are drawn from plants owned by our Government and built since 1940.

But when full mobilization is reached, our task becomes to use every man, every inch of factory space, every pound of materials, to the utmost in the prosecution of the war. In time of peace we can afford the luxury of using profit as our guide. In war, we would be destroyed if we used any such crude and irrelevant criterion. To achieve full mobilization, Government must direct the flow of all materials and supplies to where they are needed most. It must forbid all waste, in hoarding, in speculation, in non-essential use; it must supervise every user of scarce materials to see that they are employed with the maximum possible efficiency.

In Britain now all industrial materials save aluminium are purchased, transported, held, and distributed by the Ministry of Supply, at prices which it determines. Through thirteen areas, each with their tens and hundreds of area boards governing the smallest producing communities, the Ministry allocates materials to producers according to the importance of their product. Through the system of warrants a producer, say, of tanks, is given a coupon book containing the list of materials needed for tank production. Only through the use of the coupons can the manufacturer obtain the materials that he needs. In America we are moving towards a similar system.

The Mobilization of Industrial Resources

The letting of Government contracts is, of course, the most direct means of mobilizing industrial output. In Britain and here more than half of all production is contracted for by Government. In Britain, where imports are so significant, the Ministry of Food and the Board of Trade have, through direct purchases, annihilated an entire class of dealers, merchants, brokers, carriers, wholesalers, and many retailers. In America our army procurement and distribution system is larger than any private system that remains, and it operates on as low a margin.

But Government procurement alone is impotent to produce full mobilization, as we and Britain learned to our sorrow. The letting of contracts for finished weapons cannot produce new factories or convert existing factories; it cannot train labour or manufacture the new equipment that the contracts demand, if the manufacturer is unable to expand or willing to let his contracts pile up in backlogs. Our army, because it has no intention of seriously reorganizing business practices, has been willing to dump enormous contracts in the laps of a few great cor-

porations—68 per cent of the first \$10,000,000 of contracts was placed with thirty corporations—and wait for these corporations to sub-contract the work. But the army should have known better. Our Government found in a study of Britain that “major aircraft factories farmed out only that work on which profit margins were narrow, keeping the lucrative business for themselves. This left no incentive for small companies to expand. Moreover, the orders were not so placed that the parts necessary to complete airplanes were on hand when needed. Bottlenecks appeared everywhere. Great numbers of planes, badly needed by the R.A.F., were held up for lack of four or five gadgets. These were often the parts which were easiest to make.” In America this was even more true and more disastrous.

In addition new plant capacity was essential for full mobilization. Industry refused to provide for this expansion out of its own funds and demanded the most outrageous terms of amortization and resale as its price for building any new plants. The army could not contract for these plants since its contracts are limited in effect to finished products. So it was necessary for Government to extend its functions, to become the builder and owner of industrial plants.

The Government Enforcement of Expansion. In Britain Government financing of armaments plants began with the “shadow factories” of 1936. By 1938, Government-financed and Government-owned factories leased to private manufacturers on a fixed-fee basis were the accepted method of bringing new facilities into production. The British Government also operates some of its own factories. In ordnance, of a total of forty-four new plants constructed between 1936 and 1939, twenty-seven were Royal Ordnance Factories built, owned, and operated by the Government. In Canada nine out of every ten new plants have been financed and owned by the Canadian Government.

In our own armaments programme, two farsighted counsels of the Reconstruction Finance Corporation organized the Defence Plant Corporation in June, 1940, as a subsidiary of the R.F.C. It based its programme for plant expansion on a single contract under which the manufacturer constructed the plant for the D.P.C. under the supervision of the D.P.C.’s engineers. The D.P.C. then held the title to plant and leased it to the manufacturer. The contract was opposed bitterly within and outside the Government as a dangerous Socialist precedent. Yet, on the initiative of American industry, \$350,000,000 worth of contracts for new plant construction were financed through

the D.P.C. within the course of three months after its acceptance by the National Defence Advisory Commission. Thanks mainly to the D.P.C. 82 per cent of the value of all new plants constructed are Government-owned.

These new plants totalled over \$15,000,000,000 in the first two years of our war effort. This sum is huge in terms of everything but America's need and our capacity to produce. In the case of new plants for aircraft, tanks, ordnance, and light metals, the willingness of the Government to assume the risks of expansion eventually provided for expansion. But in steel, in copper, in zinc, expansion was totally inadequate, and in all cases it was too late.

The Government Enforcement of Conversion. In 1939, one fifth of Britain's war production was derived from plants constructed prior to 1937 and converted to war work. In 1942, the proportion was more than half. In 1941, less than \$5,000,000,000 of America's war production of \$17,000,000,000 was manufactured in converted plants. In 1942 over \$25,000,000,000 of our \$45,000,000,000 programme came from these sources. In Britain today candlemakers are turning out tank parts, manufacturers of cosmetics are producing cartridges and the cartridge cases are supplied by beer bottlecap makers; dental supply shops are providing an essential mechanism of the Bren gun.

Conversion was slow and inadequate in America. By February, 1942, it had become the "number one problem, the only straight, fast road to victory" in Donald Nelson's words. It ceased to be a permissive arrangement; it became a positive programme backed by the strongest threats made by the Government during the war effort. The radio industry was told by an O.P.M. official, Robert Guthrie, that if it was not fully converted within three months, the Government would "break down the organization of the unconverted plants and shift their labour and equipment to other parts of the economy where they could be mobilized for war production.

The Government Enforcement of Concentration. Yet when the construction industry, the automobile, refrigerator, and radio industries are converted, essential civilian production in textiles and in some durables remains. Here the Government has further saved resources by reshaping the structure of industry and revising its basic practices.

In Britain now the Government has brought about a concentration of production within civilian industries by closing down inefficient firms and giving a larger share of production to the most efficient units.

These units are known as the "nucleus firms," and if they can demonstrate to the Government that they are able to take over other firms with reasonable compensation and a saving of total resources, then the amalgamation is permitted and the priority ratings of the second unit are transferred to the nucleus firm.

In America our first concentration order forbade the production of stoves by large producers after July 31, 1942, and permitted continued production by factories too small to be easily used on war orders. But the order provides also that no manufacturers may produce stoves within thirty-nine areas, covering fifteen states, in which labour is scarce. Concentration in America is only in its earliest stages. As it develops, it will become one of the major programmes of industrial organization. From it must emerge a new pattern of industry-wide administration and the elimination of the boundaries of private ownership in the same way that national boundaries are eliminated in a larger economic federation.

The Government Enforcement of Standards. From the enforcement of concentration and the enforcement of prices, the Government enforcement of standards has evolved. It protects both manufacturers and consumers, and it saves labour, materials, and plant capacity.

In the case say of refrigerators, the concentration of production in one firm places all other firms in competitive disadvantage if the firm that remains in production is allowed to use its trademark throughout the war. So a standard Victory model refrigerator is developed that belongs to no firm.

In the case say of soap, standards must be developed for the protection of consumers. Otherwise price control is meaningless. Without standards, when the O.P.A. fixes the price of a bar of soap, the manufacturers cut the size of the bar. The O.P.A. fixes the size of a standard bar; the manufacturers keep the size and cut a hole in the middle. The O.P.A. fixes the standard weight of a standard-sized bar; the manufacturers fill the soap with a clay centre. So a detailed system of standards is used. Britain now has carried her system of standards into a system of utility products in which the price is fixed and the quality guaranteed by the Government.

Again, the implications of this wartime development are of permanent significance. The establishment of Government-guaranteed products at fixed prices means the end at one stroke of the evils of deceptive advertising and the abuse of free enterprise based on the

right of the housewife to pay more than she can afford for something she doesn't need.

The Mobilization of Agricultural Resources

Government control of agriculture has advanced more rapidly in Britain and America in the last eight years than in any other part of our economies. The war has extended these controls and transformed their purpose from restriction of output to full mobilization.

War brought an immediate reversal in British farm policy. Agricultural labour was guaranteed a decent minimum wage. The lowered imports of foodstuffs and the rise of 22 per cent in food prices in the first ten months of the war forced the Ministry of Food to purchase and distribute on a large scale. County war committees were at once established throughout England for the purpose of maximizing production. These committees, chosen from outstanding farmers in each community, with the aid of full-time directors, undertook a field-by-field survey of 350,000 British farms. They classified each farm into three groups: the A farms, which were making their fullest possible contribution to the war; the B farms, which lacked capital or good management but were satisfactory; and the C farms, which were being poorly cultivated. The county war committees are given full power to recommend to their district officer drastic action in dealing with the C farmer. Either the farmer may be given three months to carry out an agreed programme of improvement, or he may be given a week in which to clear out and make way for a better farmer. Often it is the county war committee and not the landlord who chooses the new tenant, breaking the basic tradition of nine hundred years of British life. Through these stern methods of raising efficiency Britain has been able to overcome the loss of imported foodstuffs and raise her own production levels three and four times in potatoes and other basic crops.

In America the former presence of great stocks of surpluses meant that we needed no such vigorous solution. Yet war has transformed our entire farm policy. War has given our agriculture a lend-lease programme of \$3,000,000,000 a year to provide for, and a national income of 30 per cent greater than in 1939 to sustain. War has taken from agriculture its flow of new farm machinery, its fertilizer, and more than a million of its young farm workers. So restriction has been replaced by all-out production by the farmers who remain.

In the A.A.A., the F.S.A., and the S.M.A. we possessed the machinery necessary for an all-out farm programme that has been developed in the Food for Victory campaign. The beginnings of the programme were in the survey carried out by the 135,000 A.A.A. committeemen late in 1941, which for the first time enabled the Department of Agriculture to draw up an overall production plan with quotas for each farm product. The quotas call for a redirection of farm production, raising dairy herds, vegetable and fruit allotments, and oil-bearing crops to record heights.

To carry through this programme of full production, the Government has, as in Britain, organized new farm committees in every county to pool farm machinery and labour and to aid farmers whose production is falling below quota levels. To raise the production of small farms, the F.S.A. has undertaken a tremendously exciting programme. Throughout the South, where small farms predominate, the F.S.A. has written to all farmers telling them that one acre of their land will feed or clothe one soldier. If the farmer undertakes to cultivate this acre intensively, he may put a sign upon it reading "soldier's acre", often with the name of an individual soldier that the farmer knows upon it.

Everywhere new developments in agricultural organization are taking place which must not be allowed to lapse back when the war is over.

We have carried the problem of stabilizing primary production a stage further than any plans hitherto adopted in Australia. It is a co-ordinated effort to place in reserve surplus export products or processed goods and it will have a profound effect on plans for stabilizing primary production in the difficulties which we will face after the war. Here is another instalment of the Government's efforts to lay now the foundations of a solid economic structure after the war.

The Mobilization of Our Manpower Resources

When war came Britain had a far more advanced structure for the registration and allocation of manpower than America. But neither system was adequate, and neither was based in any sense upon a conception of our manpower reserves as a great pool of strength and energy to be used to the limit.

We are on our way to increasing our total employed force from 46,000,000 to close to 60,000,000 workers. For our force of 20,000,000

men and women in war work, we are drawing 8,000,000 from civilian jobs, 1,000,000 from our farms and professional ranks, 1,500,000 from the unemployed, 2,000,000 from our homes. These people are often going to work for the first time; most of them need training that may last from a few days to a year. Only if they are highly organized into a skilled mobile force can our war effort be sustained.

In Britain the Minister of Labour has complete power over all men and women who can work: the power to order them from one job to another; one profession to another; one part of England to another; one life to another.

In America we have not yet reached England's level of organization. We have not yet one central directing agency in charge of all manpower that can evaluate the needs of agriculture, civilian industries, army plants, and the armed forces for workers. We have not in the administrative level the community services of manpower organization that the British possess. But our control over manpower is swiftly increasing, and already our experience is yielding significant lessons for the peacetime organization of labour of a full employment economy.

There is the acceptance that war has brought about, of the approach to all workers as one manpower pool that exists to be used in the most productive possible way. There is the establishment of a federal system for the direction into employment of skilled workers. There is the establishment of an integrated training programme for industrial workers in which fair wages are paid during the training period. There is the creation of local labour centres in America comparable to the British exchanges, to serve not only for placement work, but as the main point of contact between the individual worker and the federal government in the future administration of social security and welfare programmes. There is lastly the creation of a force of federal representatives to work within industrial plants as labour supply inspectors preventing poor conditions of work and racial discrimination, providing for the transfer of skilled workers, arranging better industrial relations.

These reforms are nothing if they are to be held up as the reforms that are offered to labour in return for its acceptance of the old, pre-war world with its unemployment and its trade cycles. They are highly significant as lessons in the administration of a full employment economy for this country.

The lessons of British experience are still more significant. And British labour is determined that they shall be accepted.



The Mobilization of Transportation Resources

Finally, on the mobilization of transportation our entire war effort depends. Our manpower, our industry, our agriculture, may be fully mobilized; if our transportation is inadequately organized, the arms pile up in storehouses, the workers wait in idleness, the food rots in the ground.

This threat is bringing the shipping, the railways, the road and canal systems of the democracies under the closest government control.

In Britain all transportation is under one agency, the Ministry of War Transport. Under a central direction in the Railway Executive Committee, the four British railways are pooled now. Through this system the Executive Committee knows at any moment the location of the 125,000 cars of the freight pool. Each one of these cars is kept moving by a Government-enforced rule that no car can remain on a private siding for more than two days. The result is that nearly three times the pre-war volume of goods is moved by the same equipment.

In America we are moving far more slowly toward the same ends. The Government is intervening in re-routing trains and buses, eliminating parallel runs and non-essential journeys. Yet there is not yet the over-all pattern of Government direction that we need.

The Development of a New Fiscal Policy

Our economic system in 1938 was an unstable system. Now war has given us price control, a progressive tax structure, a national wages policy that have gone far in making the foundations of our society stronger than they were.

Government Control of Prices. In America now all industrial raw materials, all rents, all wholesale and retail prices, are fixed and enforced by the Government with only a few exceptions.

Under the General Maximum Price Regulation, the absolute ceilings that may be charged for almost all of the food that Americans eat, all of the clothes they wear, the goods they buy, are held at the highest prices charged in March, 1942. Many related services such as installation of household equipment, maintenance, preservation, repair, storage and distribution are fixed at March levels by a section of the regulation designed to hold the retail services industry to the \$5,000,000,000 a

year margin on which it operates now. The only other goods exempted from the terms of the regulation are many primary raw materials—steel, timber, iron ore—on which price ceilings were set before March 1942, on the basis of price studies of the costs in each industry with an allowance for a reasonable profit.

Of course the ceilings are not rigid. Because price policy is a part of the general programme of maximizing production, prices are allowed to increase if it can be shown that the increase will bring about an expansion of production.

To enforce its ceilings on retail goods, the O.P.A. has completed the registration and licensing of all retailers. It then uses its power to revoke any license as its principal means of enforcement. But because certain goods are influenced in price by imports and sudden changes in available supplies, the O.P.A. is able also to buy and sell goods through its own revolving fund. A third means of enforcement, developed in Britain, is a clause in the price bill enabling any customer who has been overcharged to sue the seller for three times the amount of the overcharge or \$50.

Like the General Sherman tank, a part of the beauty of our price control system is that it is based on the combined experience of Britain, Canada, and ourselves. The methods of enforcement are primarily British in origin; the conception of an overall ceiling is American; but the application of this overall ceiling we have adapted from Canadian experience, and Canada was the country which first proved, when we were hesitating in 1941, that it can be done. Together with the procurement and allocations system and the Government factories, price control is a tremendous demonstration of the managerial ability of Government. There was nothing like it in the last war.

Today, under price and wage control, we have moved into a managed economy. Our Government has proved that such an economy can work for the good of all people. It was precisely for that reason that price control was steadily sabotaged in a running fight between the Government and Congress that lasted for two years and was won by O.P.A. only under the threat of an imminent breakdown of the entire price structure.

Since industry had demonstrated that it was unwilling to abide by voluntary rules, the choice to co-operate or not to co-operate had to be taken from it. On August 3rd, the Government sent to Congress its emergency price control bill. It was one of the most conservative

bills ever written by the New Deal and yet in the Banking and Currency Committee to which it went, ten Republicans and three Southern Democrats carved and hacked the bill to pieces over a period of four months, during which the cost of living rose by 8 per cent. Only in January was the bill passed, and then a further ten months were required to break the resistance of the farm bloc to the stabilization of farm prices. The history of price control is another chapter of the endless testament that the longer the powers that Government needs are denied to Government, the more drastic its final powers must be.

Our New Tax Structure. Under the impact of war, the British tax structure and our own have, for the first time since 1918, become major weapons in the establishment of an equalitarian society.

In Britain now a family receiving an income from investments of £100,000 has 5 per cent of its gross income to spend, no more than 18 per cent of its pre-war net income. A similar family earning £5,000 a year retains £2,168, as against £3,381 before the war. Incomes over £10,000 a year in Britain amount to only £70,000,000.

In America we are moving toward a similar tax structure. If we had maintained the retrogressive tax structure that we possessed in 1939 it might yield \$10,000,000,000 at current levels of national income. Our present tax structure is yielding more than \$25,000,000,000 in revenue.

In a sense our revenue programme has been shamefully inadequate. But war, in its own remorseless way, is bringing a more equalitarian society into being.

The Government Control of Costs. In the managed economies that the democracies possess now, not only prices but all of the major elements of cost are Government-controlled, for war demands that they must be. Britain and America possess an ironclad system of price control now. Yet price control can only be effective if it operates within narrow margins. When the margin between demand at a given price and available supplies at that price becomes too great, price control must be supplemented by rationing to avoid the emergence of black markets. When the rising costs threaten to place intolerable pressure upon price ceilings, the Government must act to stabilize costs if prices are to be held down.

The place of the trade unions in the British economy was so fully assured that the unions were not forced to demand new wage increases on every new contract as the only means of holding their membership.

But in America, unions are still not accepted in the mass-production industries. So, because the unions were permitted no other functions but to win wage increases for the workers, this was their aim. In the tremendous organizing drives in aircraft, in shipbuilding, in shipping, in steel, in copper, in aluminium and in electrical engineering that arose in response to the war effort, wage increases were the main issue and strikes were a significant weapon. Consequently a greater degree of Government intervention was necessary.

In America when wage stabilization was first undertaken by Government, the strike wave and not inflation was the Government's primary concern. The two-year industry-wide stabilization agreements which the Government concluded first in ship-building provided for an initial increase in wage rates that was to be the only increase for the life of the contract subject to changes in the cost of living. They provided also for the recognition of one union in each major region in order to prevent jurisdictional disputes. But in these agreements the conditions of work and wages were reached in preliminary negotiations between the unions and the employees.

When in 1942 the war production programme was raised to \$45,000,000,000 and an inflationary gap of \$17,000,000,000 opened up between total income available for civilian consumption and the value of available consumption goods, far more drastic Government action was necessary. The Government for the first time asserted that the margin that could be made in any industry by driving up prices was neither labour's to demand nor industry's to give.

The Government Control of Foreign Trade

In every warring democracy foreign trade is the monopoly of the Government.

In Britain three ministries, the Ministry of Food, the Ministry of Supply and the British Board of Trade, purchase and distribute all imports. They buy through the many British missions in America and through other regional councils. They resell, at their own prices, to retailers in Britain.

In America our import requirements are stated to the requirements committee of the W.P.B. and the joint boards of the United Nations. The supplies that we need are purchased by the foreign missions of our central trading agency, the Board of Economic Warfare. All exports to non-belligerents are licensed through the Board, and the Board

determines with each foreign Government how the shipping space allotted to it by the Combined Shipping Adjustment Board shall be used. It recognizes the vested interests of former sellers to neutral markets, but it is the need of the importing country and not the welfare of the exporting firm that concerns the Board.

The Government possesses also, as it must, increased police powers. There are the powers over property. After a period of indecision caused by concern for American holdings in Europe, our Government took control of all Axis and Axis-dominated holdings in America.

There are the powers over patents. The Alien Property Custodian has seized all Axis-held patents and declared all agreements under these patents to be void. In the last war, contrary to the advice of the Under-Secretary of the Navy, Franklin Roosevelt, the Custodian sold the patents when the war was over and so allowed them to pass back into German hands. Our present Custodian has declared that the patents will be permanently held by Government and that licenses will be issued eventually to all producers on fair terms. This policy is of really great importance in increasing post-war production through lower royalties and the guarantee of competition.

Thirdly, the Government possesses police powers over all foreign trade. Within a few weeks of December 7th, an elaborate system of controls enforced by the Board of Economic Warfare placed all trade, including all domestic transactions of materials that Germany was known to lack, under the closest scrutiny of the Board.

The Mobilization of Civilian Needs

In any society threatened by military destruction, military needs threaten to crush civilian needs. Just as the mobilization of war production can only be accomplished by Government action, so Government action is necessary as the only way in which civilians can be protected from an over-emphasis on the production of weapons.

Because there is no valid distinction between civilian and soldier in this war, there is no sharp line where mobilization for war production ends and the protection of the civilian begins. The expansion programme was essentially an acceptance of the need for certain civilian production in the future which could not be tapped for arms; price control served both to prevent the disorganization of industry and to protect living standards. Rationing is a means of forcibly reducing

consumption as well as equitably sharing it, and welfare, the other main aspects of civilian protection, is based also on military needs.

Rationing. Inevitably as the war continues the civilian consumption of the American people must fall below the level of 1932. In that year the mass of our working people were homeless and starving. In wartime they will have enough to live on, because we will share equally what we have. Where private enterprise fails utterly in providing for all people through fair distribution, where taxation alone is powerless, rationing is bringing about for the first time an effective redistribution of income by making income only one factor in determining consumption. It is bringing us for the first time an equalitarian system.

Rationing is potentially the most revolutionary of all the achievements that war has brought to our democratic society. It is so revolutionary that, like all changes, it has come late, facing powerful resistance from vested interests and outworn ideas.

The registration of all people in Britain for the purpose of rationing was undertaken two days after the outbreak of war. Later all consumers were instructed to register with a particular retailer for each of the foodstuffs subject to rationing. During this period retailers were given supplies on the basis of the number of persons registered with them, and were responsible for distributing supplies in an equitable manner.

Once again, the attempt to bypass government and administer a war economy through commercial channels proved disastrous. The retailers' powers to discriminate were widely misused; stocks were squandered and prices increased sharply. When price control was initiated in the absence of rationing, black markets sprang up and retail markets were stripped of supplies of goods to be sold under cover at higher prices. The feeling engendered between rich and poor, city dweller and rural dweller, in Britain was so fierce that it threatened national morale. Therefore it was necessary for the Government to move into full rationing.

In January, 1940, sugar, bacon and ham, and butter were rationed in Britain. In March meat was added; in July tea, margarine, and cooking fats. The Government found that to ration and place price ceilings on certain products and leave substitutes for them untouched undermined the entire system. So rationing increasingly became an all-or-nothing venture.

Petrol was, of course, rationed on the outbreak of war. In clothing,

consumer rationing was introduced without warning in May, 1941.

Rationing in Britain was an immediate success. In the absence of price control, the prices of unrationed foods rose by 11 per cent between January 1st and September 1, 1941, while the prices of rationed foods fell by 3 per cent. By setting the total amount of rations issued for a given period below the level of foodstuffs coming onto the market, the Government was able to increase dealers' stocks and so to depress price levels.

Yet rationing is only the crudest approximation of a system of supply based upon need. Why, for example, should a bank clerk be allowed as much milk as an expectant mother? Why should a spinster living in a London flat with an elderly maid and an overstuffed spaniel be allowed as much steak as a worker handling steel in an open-hearth furnace in the Midlands? In Britain today supplementary rations are applied for most rationed goods.

The aim of scientific rationing is to break down every group into the smallest units that can be administratively cared for. In this Britain's nutritionists have become leaders in rationing policy, in determining what is actually needed by each group. As the result of dietetic surveys expectant mothers are given priorities on milk and eggs, and children on milk, eggs, and oranges. Invalids are allowed supplementary rations according to the nature of their disease. Workers are divided according to their physical exertions and the conditions under which they work. Underground and agricultural workers are given extra cheese because it has always been a staple in their diet and their bodies are accustomed to it. Seamen, because they lack fresh food for most of their working lives, are given the heaviest rations of meats and dairy products when they are on shore leave.

Yet the issuance of ration cards is no guarantee whatever that the British people will get what they need. Low-income groups in Britain have never consumed balanced diets, have always overweighted starches and sweets against fresh vegetables and dairy products. Eggs, cream, green vegetables, are expensive for them and there is no automatic assurance in a ration card that they can afford to buy what they are allowed. In the presence of inadequate purchasing power, the rationed supplies are not taken off the market and the system breaks down. So prices are fixed within the reach of the lowest-income groups.

In these practices a tremendous revolution is taking place in British society. For once it is widely asserted that a child needs a pint of milk a day to grow, that a miner must have 3,000 calories a day to maintain efficiency, the system of consumption according to ability to pay alone is discredited, as it must be, and the foundations of a permanent system of minimum standards for all people is established.

In Britain Government assurance of adequate meals for everyone takes many forms. Community restaurants, British restaurants, are run by local authorities with the aid of the national Ministry of Food. There anyone can buy without a ration card low-cost, nutritionally balanced meals. Late in 1942 there were 1,400 British restaurants in operation serving more than 30,000 meals each day.

In addition to the community restaurants in England, the Government is also operating factory and pithead canteens in large numbers. There are school lunch programmes and milk programmes to see to it that mothers and children get their share of the available milk supply before anyone else. Special vitamin programmes furnish fruit juices and cod-liver oil to little children.

In America we are just beginning to learn from British experience and to carry out a nutrition programme of our own.

In Britain an equally exciting advance is taking place in the health services. War with its migration, its overcrowding and threat of infectious diseases, and at the same time its drain upon doctors and nurses, demanded far better health services than existed in Britain in 1939. The hospitals have been reorganized. Medical services have been extended in the factories. Another half a million people have been brought under the British National Health Insurance System. In America, the U.S. Public Health Service has moved into a new field by assigning commissioned army doctors and dentists to take care of the civilian population in an overgrown war community in Florida. If this experiment in socialized health succeeds, it will be rapidly extended. It is desperately needed in the new boom cities and communities.

The Mobilization of the Democratic Spirit

We mobilize our mines, our shipyards, our factories; we mobilize our farms, our roads, our railways; we mobilize our man-power, our finances, our civilian supplies; and where are we? The Axis does all

of these things; its resources are as great as ours; its organization is tighter and more easily enforced.

We need to mobilize our last resource beyond anything the Axis can call for—the devotion of a free people.

We start a production drive to raise output in the factories. It demands new techniques, new forms of art in posters, new ways of talking to people. It demands full use of the means of free speech, the radio, the meeting hall, the press.

Here is the end of the Government broadcast that opened our production drive in March, 1942.

SECOND VOICE: A tank every twelve minutes.

(ORCHESTRA)

THIRD VOICE: A plane every eight minutes.

(ORCHESTRA)

NARRATOR: Day and night, seven days a week, Sundays and holidays included until the end of 1942. . . .

(CHORD . . .)

SECOND NARRATOR: Since this programme went on the air—three planes and two tanks should have been completed, if we are up to schedule.

VOICE: Well, are we?

SECOND VOICE: You know the answer, Mister Manager. And you, Joe Worker. How about it?

(ORCHESTRA TAG)

In Mister Manager's factory and Joe Worker's community we are beginning to give real expression to this new spirit.

Mobilization on the Job. For nine months after the outbreak of war in Britain, there was no new spirit in the factories. The employers were often indifferent to war production; the workers often felt no responsibility for what was produced. The disorganization of raw materials and transportation left men loafing in plants and women knitting.

When the Battle for France was lost and the Battle of Britain began, a great change took place in Britain's war effort. "It had all the characteristics of a 'soldier's battle' fought by workers and managers in the factories almost without generalship," G. D. H. Cole said of it. "The workers in the factories and many of the managers wrought wonders during the ensuing months, and their energy saved this country from

irreparable disaster. But even that effort was an improvisation and did not rest on any plan; for a few months men wore themselves out in a heroic struggle for higher production; but even at the height of the struggle many vital machine tools were standing idle for a large part of every week, and . . . while some men were working like blacks others were standing idle . . . or were engaged in unnecessary peacetime work. There was muddle everywhere. . . ."¹

Early in 1941 a change showed itself first in the coal mines' committee where managers and miners joined to form Pit Production Committees. They were followed by Yard Committees in the shipyards, Joint Councils in the engineering industry. The entrance of Russia into the war gave this movement a new burst of energy. When the Soviet Trade Union delegation visited Britain, its leader, Mr. Schvernik, told a London mass meeting that "The delegation considers it necessary to say that there are unused reserves. . . . The results are best in factories where shop stewards and workers are collaborating freely with management."

Then the movement really began. In the factories the workers began to notice that employers were putting skilled men to work on non-essential jobs; that supervision was poor; that floor space was given over to luxury goods held for post-war competition; that materials were being bought for Glasgow firms in Southampton that could be obtained in York. They were brought sharply up against management in a new relation: to study its weaknesses and prejudices and also its ability to co-operate in increasing production. The Joint Production Committees spread so rapidly wherever management would co-operate that they were officially recognized. In the engineering industry, the constitution of the committee was established on an industry-wide basis. It prohibited discussion by the committees of matters negotiated by the trade unions, but it offered them a wide scope for initiative. As the committees developed and the workers' members were elected by secret ballot, an altogether new spirit entered the factories.² In the Government-operated Royal Ordnance Factories the best results of all were obtained.

In America, where the labour-management committees are just growing, we lack a great deal still in co-ordination of the committees and their use as real forces in the factories. Yet by September, 1942,

¹ *Victory or Vested Interest?* London, 1942, p. 7.

² 'Production Committees', P.E.P. Planning broadsheet No. 189, May 26, p. 16, 1942.

they were organized in 2,000 factories employing more than 2,000,000 workers.

In these committees an altogether new pattern of industrial democracy may be emerging.

The Mobilization of the Communities. The second centre within a democracy where voluntary initiative of a free people can be organized is the community. In time of peace there may be no community at all in a city block; there may be no organized community in small towns and villages. Families may live without knowing each other, without community services. In war the community must organize itself for its own protection. In organizing itself the community may bring to the war effort of a democracy its ultimate source and strength.

Britain's first great voluntary effort was in the Air Raid Precautions programme. In the cities it demanded spotters and firemen; in the country the danger of air raids demanded billeting committees for the evacuees that at one time included 80 per cent of all the children of London. Almost at once this effort led the communities in an entirely new direction. The evacuated children brought scabies, impetigo, overcrowding. Voluntary work was demanded of the communities.

These new services demanded entirely new types of community organization and leadership. The traditional role of the Town Clerk was to be conservative in spending funds, careful in disturbing vested interests, expert in compromise. War demanded boldness and swift action. In particular on the Channel coast invasion committees sprang up, run by doctors, teachers, farmers, trade unionists, and clergymen, to centralize the essential services of a community under the threat of invasion. A third stage in Britain arose when organization moved into a higher level and compulsory registration and conscription of civilians for full-time war work reduced the scope of voluntary service. Yet in Britain 1,300,000 women remain in the Women's Volunteer Services. And in the villages and the cities the sense of community spirit has steadily grown. Now in the ferment of ideas that the war is causing it takes the form of village meetings, forums, and "Brain Trusts" in which the issues of the war are threshed out.

In America we started with the same initial handicap of inadequate local government and timid local leadership. But American citizens were shouting, "What can I do?" And no amount of weak organization could cut down their determination to play a part in winning the

war. Government officials were slow to learn how to use these tremendous sources of energy, yet in town after town and county after county, defence councils came forward with programmes mobilizing their own resources to grapple with their own local war problems. As in the case of England, it soon became clear to most communities that the problem was not defence against air bombardment and fire, but attack upon all the new social strains war was putting on their communities. So increasing numbers of defence councils created a community mobilization branch to deal with housing, health, nutrition, education, recreation, child care, transportation, salvage collection, conservation of vital materials, and full utilization of local men and machines for war production. The citizens who joined in this part of the home front programme were organized into the U. S. Citizens Service Corps and took their places beside the Citizens Defence Corps that undertook protection against raids. By September, 1942, defence councils were operating in close on 10,000 towns, villages, and counties throughout the United States. Some of these are outstanding for the community mobilization work they have done.

Because the defence council provides a straight, clear channel to the community, it is the logical machinery for other war agencies to use when they need civilians to help administer their programmes. Rationing and price control are two war programmes which make use of the defence council organization to enlist civilian help in their enforcement. Volunteers through the defence councils have been put to work as price watchers, establishing the kind of moral climate in which the Maximum Price Order can thrive. In rural areas, the Department of Agriculture brought about the same kind of volunteer participation in the war programme through the State and local Agricultural War Boards. These Boards carry forward the Food for Victory campaign, and co-ordinate rural war activities in the same way that the defence councils co-ordinate urban programmes.

And again, this new spirit of community participation is beginning to find its own political expression. The first beginnings of community discussion had been made before this war in America in the discussion groups, the conferences, and the institutes of the Department of Agriculture. In a smaller way the N.Y.A. and C.C.C. had felt their way towards the same spirit of discussion and self-government. In all this time the objective that stood in the far distance before Government officials was the revival of the New England town meeting in every

community. Now through the defence councils we are rushing towards that objective! The Government is now aiding in the organization of these town meetings everywhere in America, and throughout the nation there is a rising demand for them.

This rebirth of the democratic spirit in community participation may ultimately be the most far-reaching development of our entire war effort. Without this new spirit all our other activities must wither; given this new spirit, there is no limit to our advance.

II. A CRITIQUE OF OUR WAR EFFORT

"If we but knew from whence we have come and whither we are tending we would be better able now to know what should be done." As the war moves into its most desperate, most decisive, stage, we must look at our war effort as a whole and our time as a whole in order that we may move forward with greater certainty.

We are fighting for the right to live in an affirmative society; again we have only to recognize that here, in this war, our affirmative society is coming to life.

It is true, of course, that much of what we have done was done also in 1917. There was the same mobilization of manpower then, the same techniques of procurement; there was considerably more Government ownership and operation of industry. There was the same sense among liberals that these new techniques should be continued; and there was the same deep disinclination among conservatives to admit any lasting significance in their own achievements. Then as now these conservatives regarded their achievements as wounds driven into the flesh of private enterprise; they believed that only the bloodletting of all the new life that had been poured into our society could bring back the health of the patient who lay on the table watching the operation through suspicious eyes.

Now again the men who are fighting every necessary extension of Government authority are also telling us that war and peace are totally different; that what is done in one must never be thought of for the other and that nothing whatever can be learned from the unfortunate concomitants of the present emergency. In this way, it is hoped that this war will leave no scars of permanent Government operation—when the emergency is over.

But this war is no emergency; it is a revolution. It arose from an

unbalance in social relations, and it is working out a new balance as it continues. Its beginning and its end will be seen, not as the opening and closing of armed hostilities, but as the start and finish of the decisive stage in the people's revolution that may last for three hundred years. Coming when it did as one expression of a time of great social change, it is developing and not destroying the new technique toward which we were moving. It is leading us toward and not from the society we desired, and those who have tried to change its course have broken most of their spears. In a world in which the objective of society has changed from non-interference by Government to full mobilization of resources, the pattern of war becomes, not a disastrous break in our normal development, but simply one instance of a society which is fully mobilized.

Many of the essential values and techniques of this society are now in existence in America.

We possess now the first essential of an affirmative society, a rhythm of full mobilization in our workers, our farmers, our managers. We are gaining an understanding in our people that there need be no unemployment; that we can spend in five days the total federal deficit of 1937 without straining our social structure; that the one condition which a virile nation cannot afford is unused resources.

We have found now the new role of government in financing investment, in organizing manpower, in controlling inflation, in working with private enterprise in a new balance, in guaranteeing minimum standards of consumption, that an affirmative society demands.

We possess now a tax structure which, with its most severe aspect removed, could bring the budget of an active federal government into balance at full employment levels.

If we had accomplished no more than this we would still be in danger of overcentralization in government and a gradual atrophying of democracy. But again we are bringing to life the essential counterpart of increased federal power—increased participation in democratic administration at the community level. That is why the community organizations that are growing in this war are so significant; for only by a rebirth of democratic initiative and activity throughout a democratic nation can initiative and activity in the federal government grow without developing unbalance in our national life.

This war is summoning to life the forces of the future. Because this war is part of a larger struggle, the new values and the new forms that

are brought into being in answer to the most immediate wartime necessities come also in answer to the underlying conflicts that extend far back into the peace and are projected far into the future. *Our wartime democracy is our affirmative society*. If we are still searching for war aims for America, then we can end our search. The war aim which our people can understand is that the new reaches of equality, of unity, of democratic mobilization will never be abandoned, but will instead be the starting points of further advance.

There have of course been many weaknesses in our war effort as well as Britain's. One of them is the curse of any pacific democracy—the conflict between civilian and military leaders. In England this conflict was resolved in favour of the civilians with such ruthlessness by Lloyd George in 1918 that very little was left of the British army twenty years later. In America it was unresolved by Wilson and Baruch and twenty years later our war effort was hindered by the ambitions of the army to act in a civilian capacity in running our entire production programme.

But beneath this weakness has lain a deeper weakness—the ceaseless conflict between the necessity of a fully mobilized government-managed economy and the resistance to this economy in the form of unconscious or conscious fear of the potential power and promise of this economy.

This conflict expressed itself in the first major battle in the British and American war efforts: the battle to raise the sights of both countries in planning their war efforts. In Britain this battle began in 1936 when the Government in its anxiety not to interfere in industry stated in a White Paper:

For the present owing to the demands upon the capacity of industrial output which must be necessarily made in the first instance by the regular army it is not possible simultaneously to recondition the territorial army.

Against this Churchill thundered and blasted:

Just think of that! Why! these two forces put together are only a quarter of a million men and we are told that our vast flexible buoyant rich fertile adaptable British industry is incapable of conducting the equipment of these two comparatively small forces simultaneously. I refuse to believe such a thing!

In Britain this battle continued until the formation of the Churchill Government in May, 1940. In America it went on until December 1941. Here the entire Mobilization Plan of the army was based on a denial of the notion that war compelled fundamental changes in the industrial structure of America. It foresaw no expansion of facilities and it directed that "in general peacetime procedure and method should be modified only in case the results therefrom fail to meet the requirements of war." In a fairly typical statement the army-controlled Office of Export Control stated in 1940:

From the outset the policy of the Office of Export Control has been to be able to look back, when this emergency is over, and see that we have fostered foreign trade, that we have assisted American business to expand and to sell in world markets, where the selling did not interfere with our total defence efforts required at the time.

When the Loyalist government of Spain was attacked it possessed no State machinery for the prosecution of the war. So it created the machinery required for the tasks which it faced. In contrast, when we found that the tasks of victory demanded extensive social and structural changes in America, instead of making these changes, we attempted to reduce the size of our tasks to the administrative possibilities of the structure we possessed. It was only under the threat of invasion that Britain jammed through a programme of full mobilization. It was only in December, 1941, that the young men in Washington broke through the resistance of the supply services of the army and navy with a programme of production that was related to an objective—the winning of the war. This programme—the Victory Programme—increased by five and six times the production schedules that were in existence; it was our first great counter-stroke to aggression.

The second major battle of the production war here and in Britain was the battle for expansion. This battle exposed in its clearest form the conflict between the men who in fighting for the war were fighting for the future, and the men who in struggling against the future were undermining the war. The champions of expansion were far-sighted government men who had always fought for a fully mobilized society. They understood at once the size of the production programme that war demanded. They understood that unless an immediate expansion

was undertaken to provide new steel mills, new machine tool shops, new shipyards, new aircraft and armaments factories, the war effort would be crippled, first by lack of new factories, then by bottlenecks in raw materials. They understood that if steel and other materials needed for war production were not provided by an immediate mobilization of all unused resources, it would have to be taken from supplies needed for the actual war weapons later on.

The opposition to expansion came from industry. It feared a fully mobilized society; it feared the competition of new plants that would end the regime of restricted production on which monopoly control is based; it feared most of all excess capacity after the war because it was certain that there was no solution to unemployment and it was convinced that after the war America and Britain would lapse back into the stagnant condition of 1938. In a very real sense it was this perverted form of post-war planning that nearly lost the war for the Allies.

The most crucial areas of finished production, planes and tanks, were also the areas of two of the most vigorous and most rapidly growing industries in America—the aircraft and automobile industries. Here American manufacturers did a superb job in planning and constructing new capacity on their own initiative. But in the older monopolist industries—copper, steel, zinc, the railroads—manufacturers were in a mood of utter defeatism. When Government economists, even with the deplorable estimates that they forced from army files, were able to prove their point, the response of the railroad, the steel, and the copper executives was cheerfully to accept the estimates of shortages and start a stock market boom in anticipation of higher dividends.

Because this attitude was allowed to persist, the fight for expansion was partially lost. In aircraft, tanks, and ordnance a great expansion of new facilities took place; in steel, copper, and zinc there was none; in rubber and aluminium it was terribly late; the result was that in January, 1942, one-third of our entire production of raw materials was flowing into new plants when arms were needed. Hundreds of factories were built which remained partially inactive for lack of materials. Some half-finished factories were torn down because of the famine in metals. Our defeat in this battle was the real defeat of which the military defeats in Africa, in the Pacific, and the military inaction in Europe were only shadows.

The third major battle that revolved around acceptance and fear of

the future, was the battle to see our resources as a whole and to organize them as a whole through Government. Again the fight was between men who believed in Government and men who lived in terror of a demonstration of the Government's power; between men who had no reason to think of our industrial resources as a series of walled-in corporate fortresses, and men who were incapable of thinking of industry except in these terms.

No full mobilization program could have been undertaken in America or Britain without widespread Government intervention. The patterns of one hundred years of destructive competition or equally destructive monopoly made it inevitable that when the demand for copper and zinc for war production first exceeded the supply, the automobile and construction industries should have grabbed four months' supply of these metals and held it in hoards for non-war production. Given this structure drastic Government action was required. Yet we brought to Government precisely the men who feared it most and who were most likely to use the authority given to them to thwart Government action.

In Britain *The Economist* wrote that: "When war broke out and it had become obvious to all but the blind that maximum production had become the one object that superseded all others the anti-productive system was carried to its highest point.

The noble army of controllers was recruited from organized industry. The rings far from being tolerated became endowed with all the powers of the State."

In America we placed the expansion of aluminium in the hands of prominent customers of the Aluminium Company of America. We placed the steel expansion programme in the hands of a steel lobbyist who, in his major role of lobbyist, drew close to treason in his distortion of the true picture in steel as he knew it in his subordinate role as official of the United States Government. We gave the determination of the synthetic rubber programme to dollar-a-year men who in private life controlled patents on a process of producing synthetic rubber by petroleum.

Failure in Government is bad enough; but to say of these men that they failed is to flatter their intentions. They entered Government, not to strengthen, but to weaken it. They remained, not to initiate, but to frustrate Government action.

In the presence of an indifferent attitude in industry war production

could only be obtained if the Government took from industry the responsibility of deciding whether it should lose or win the war, and told industry what to do and enforced orders.

But the officials of Government who should have done this were men who regarded our industrial resources as belonging, not to a people making war, but to a few industrialists making profits. The ruthless men who should have scoured the country with crowbars and blackjacks toured easily, giving a cheering speech here, a pat on the back there, a tut-tut somewhere else, and in a fourth place a shrug of the shoulders. Only the manufacturers were allowed to say what could be, and what could not be, produced.

One final example is needed to show how fear of the future put chains on our war production. The automobile industry was the greatest source of equipment and skill in America for arms production. Its conversion was desperately important from 1940 on. But 80 per cent of its production is controlled by three highly competitive producers. All of them performed miracles in operating new war factories built at Government expense; none of them was willing to convert its existing plant because, as in all industry, each believed that the unilateral reduction of its civilian products would weaken its competitive position after the war.

Our entry into war made this situation intolerable; but the method of conversion remained unresolved. Labour, through Walter Reuther, again proposed industry-wide conversion directed by a representative agency. "You can't expect due process of law to finally jar a screw machine out of one plant and get it to another," Reuther testified before a Congressional committee. "You have got to have an agency which can say: 'O.K., if we need so much transmission capacity, we are going to use that capacity; no matter where it is, who owns the machines, or where they may be standing we are going to get that capacity together on an industry-wide basis.'" The reply of the president of General Motors was to describe this proposal as "socialization," and to attempt to break up the conference called by Government to convert the industry.

There have been many failings in the war efforts of Britain and America of Canada and Australia. But at the heart of all our failures is our failure to cast off fear—fear of the future, fear of our Government, fear of affirmative society, fear of ourselves.

We are losing this fear now, but it still lies within us. Our manu-

facturers have come far since the days of 1940 and 1941 and are working vigorously on the whole. Yet the underlying battle is still not resolved. If this battle were over we could afford to ignore the lessons that cry out from them and are still not heard. But the war is not yet won and the peace is not yet lost. The forces that have weakened us remain to weaken us now; and major barriers of patent rights, of concern for post-war competition, of inadequate Government control, of control where full ownership and operation are required, must still be destroyed.

Once and for all we have got to understand whither we are tending. As each new life is lost and our stake in victory deepens, our minds must grow harder toward our enemies. Our minds must also grow clearer toward ourselves.

As the battle fronts of the United Nations are driven back, it is easy to condemn the monstrous system and its monstrous leaders that turned all of their strength and all of their skill to killing and wreaked the horror of war on the world. It is less easy to remember that thousands upon thousands of our soldiers are needlessly dying because of our blindness, our indecision, our inability to act.

When the Aluminium Company of America throttled the production of aluminium in America and suppressed altogether at Fascist instigation the production of magnesium, when even after Dunkirk it fought against expansion, its action robbed us of the opportunity of producing at least 35,000 planes in the first two years of the war. Those planes might have saved the Pacific and the Caucasus; they could have saved innumerable lives.

When the automobile industry resisted the conversion programme for fifteen months it deprived us of \$12,000,000,000 worth of war equipment—enough to have blasted open a front in Europe in 1942, to have saved a million Russian lives, and perhaps to have ended the war.

When the steel industry, the copper, zinc, lead and chemical monopolies refused to expand their capacity and even reduced production in order to break the Government's resistance to higher prices, we lost shipyards, tank arsenals, ordnance plants, that by now might have turned the tide of the entire war.

When our petroleum, our chemical, metallurgy and dye monopolies entered into secret conspiracies with the Nazis that chained our production down, we lost two years that can never be regained.

We shall produce planes enough and tanks and guns enough in 1944 and 1945, of course. But it was in 1942 that the Japanese ripped China in half, capturing airfield after airfield, perfect, except that there was not a plane on them! It was in 1942 that the Red Army begged for a second front and was not even given arms in any numbers! It was in 1942 that the R.A.F. pilots at Singapore threw themselves on the ground and wept because they had no planes to fight the Japanese air force that was destroying the city, and with it a great hope of the United Nations! It was in 1942 that under the scorching heat of Bataan our soldiers fought with temperatures of 105 degrees from unrelieved malarial fever because before the war an American monopoly had withheld the development of a substitute for quinine.

Should we not silence our criticism at this time? No, because we shall survive only if we learn the lessons of our failures, and they are not yet learned. Should we not forget the past now and look only to the future? No, because the same forces that have raised the cost in human life of victory may later rob victory of its meaning and our sacrifice of its purpose. Should we not admit this, but admit also that slowness and delay are the price that we pay for democracy, that mistakes are inevitable? Only if we admit that the persistence of stubborn blindness in the people is inevitable. We foresaw the mistakes. The President and the Prime Minister knew of some of them, but were held by our inability to grow.

Before the enormity of these crimes, is any punishment too good for those who are responsible? Who are they? A body of industrialists and all the armory of their defence, who acted in perfect accordance with the established practices of private enterprise. A tendentious and misleading press that we read and believed. A group of conservatives in Government whom we kept there, in fear of more radical men. A jealous and reactionary Congress that we elected. A confused and divided people.

The life of any society depends upon its ability to generate within itself its own forms of adaptation. Its continued existence depends on its ability to use these new forms with the courage that is needed; the worth of any society depends upon its ability, when it has suffered defeat, to realize its mistakes, to pick itself up and to drive through.

Given the immense fertility of the American earth, it was not hard to raise our war production to sixty billion dollars a year. It did not

matter if plans were confused, if compliance was weak and ineffective; the earth of America sprouted an enormous crop of arms.

But now we have left the golden months and the silver months behind; now the going is really hard; we have no more unused resources, no more idle mills and mines now that can turn out new weapons; now every new gun that our earth yields must be wrung out of it by a tighter organization and a tougher spirit. *Now we must develop the concept of the last ounce.*

We need to be honest with ourselves and proud of what we have done. We have seen in these last two years a demonstration of Government enterprise that for all its weaknesses is too impressive for any group in America to destroy. We have trained a staff of Government workers too precious to be scattered in the future. We have created new forms of community participation too exciting to be left to atrophy. We have brought into being new values, too fine to be destroyed by counter-revolutions. We have ceased to see this war as an emergency; we have not yet come to see it as our opportunity—a departure for a new time for the world. Only when we reach this spirit can we get the last ounce that victory demands of us.

CHAPTER EIGHT

THE CHALLENGE OF EMPIRE OUR WORLD OPPORTUNITY

A NECESSARY condition for the achievement of permanent peace is the bringing of a full and democratic life to the wretched and the oppressed of the earth. It demands the end of the exploitation by one nation of another. It demands the ending of the unbalance of industry and agriculture that has prevented the achievement of world unity. It demands a positive programme for the liberation and education of all oppressed peoples.

And in this task, the war is once more offering a means of breaking down the barriers to a happy world.

In all the great upheavals that the war is causing, four main ways stand out in which it is working for the future of oppressed peoples. The first is its physical destruction of the imperial structures. The second is the freeing of dependent areas from the bonds of indebtedness by which they were held down; the third is the industrialization of these areas that the war is forcing; the last is the development in these same areas of the forces of democracy that the prosecution of a war of liberation demands.

I. THE DESTRUCTION OF EMPIRE

The physical destruction of the Allied empires is only too clear: the Philippines, the Netherlands East Indies, Malaya, Burma, Indo-China, Hong Kong, have fallen to Japan. Under Japanese rule they have been stripped completely of their former administrations.

Today all Japanese-occupied areas are ruled either directly by the Japanese or indirectly through puppets, who are kept only in subordinate positions. The Japanese have further destroyed all foreign ownership of the economic resources of the areas they have conquered have seized all foreign-owned mines, factories, shipyards, railways, banks, plantations, real estate, and other possessions, and they are reorganizing these resources under their Japanese development corporations.

Today the Japanese are busily destroying the last traces of European and American domination of South-east Asia. Cities, streets, and theatres in occupied Asia have been given Japanese names. Schools that taught English and Dutch now teach only Japanese as a foreign language. Listening to foreign broadcasts is, of course, prohibited, and there is no longer a newspaper in occupied Asia that is not Japanese-controlled. To make the break with Europe and America more irrevocable, the Japanese have made concessions to local nationalists in acts such as re-naming the Netherlands East Indies Indonesia, a name that natives had demanded for many years. In addition the Japanese are actively pressing upon all Asian peoples the slogan of "Asia for the Asiatics" and sometimes are finding a genuine response. To break finally the myth of white supremacy, the Japanese humiliate white people at every opportunity.

It may be years before we dislodge the Japanese from East Asia. Meanwhile their opportunity to annihilate every trace of respect for white rule is unlimited. The crushing defeat of the Allies in Asia and the Japanese occupation make it certain that if we are to return as imperial rulers, it will be through campaigns as bloody as those of 1942, in which we were driven out. For as rulers no love, no respect, nothing other than force will commend us.

And yet the road to true co-operation with the West will not be closed. For the Japanese imperialists can no more win the peoples of Asia than the Nazis can win the peoples of Europe. Like the Nazis, the Japanese have only one programme—unlimited exploitation. It is so harsh that no puppet government can endure under it and no foreign ruler can maintain power except by increasing resort to violence. The slogan of "Asia for the Asiatics" will become permanently discredited when it is identified with Japanese brutality. The one offering of Japan to Asia, of industrialization and national development, the Japanese have made full use of. But their own record in North China and Korea shows that even in peacetime they do not possess the industrial surplus necessary to develop other regions. Lastly, so long as China remains fighting, the legend of Japanese invincibility will remain as hollow as the legend of white supremacy is moribund.

Through all the agony of war, the democratic order of the United Nations in Asia has been given another chance.

II. THE CHANGING STRUCTURE OF INDEBTEDNESS

The second great opportunity that the war has offered us, to rebuild a democratic world on the ruins of empire, lies in the reversal of the creditor-debtor relationship by which the more advanced nations have held whole peoples in bondage.

Already this relationship with the world has been transformed for the two main creditor nations: Britain and America.

This war has brought about an altogether revolutionary change in Britain's position. At the outbreak of war, Britain had £2,250,000,000 investments in the Empire and something less than £1,600,000,000 of direct investments in non-Empire countries. Today of Britain's gold, only a small part is left, and more than half of her foreign assets are gone. Before the war is over, it is certain that Canada and India will be substantial creditors of Britain. If Australia and New Zealand greatly increase their provisioning of United Kingdom (or United Nations) forces, they will also become Britain's creditors.

In the same way the credit position of the United States is rapidly altering. By 1940 the huge surplus of exports in our foreign trade with Latin America had been transformed into a net import balance of \$131,000,000 for the year. In the first quarter of 1942 our net excess of imports from Latin America was \$85,000,000. As this import balance increases a number of Latin American republics will become net creditors of the United States.

But these are not simply book entries. They mean the re-purchase by the Brazilian Government of its iron mines and railways, the achievement in India of economic independence. They mean the beginning of freedom!

Of course the achievement of economic independence cannot by itself lead to political independence. The fact that Nigeria (or even India) is the creditor of Britain does not of course mean that Nigeria will become independent if its government is entirely British-controlled. But where government is even partially representative, it cannot fail to take advantage of this loss of outside financial control if the will to freedom exists in its peoples.

III. WARTIME INDUSTRIALIZATION

The third great way in which war is destroying the basis of imperialist exploitation lies in the industrialization of undeveloped regions.

Industrialization is no easy process in wartime. Yet a brief round-up of each undeveloped region shows how far the industrialization of these regions has advanced since 1939.

The industrialization of Australia is altogether striking. In the First World War Australia organized 4,000 workers in new armament plants: in this war 60,000 workers are already employed in new ship-building and airplane plants alone. Where Australia had one shipyard in 1939, she now has seven; where she had only a million tons of steel capacity, she now has almost two million. She has established an aircraft industry from nothing. She has built three guncotton factories, in Victoria, Queensland, and Tasmania, of which the first is designed to employ 11,000 men. At the same time new transcontinental roads are being built in Australia, and her chaotic system of railways is being reorganized, bringing her regions more closely together. More than any other country, Australia has understood that war may be her means of transformation into an important industrial centre, and she is making the most of her opportunity.

The industrial development of Canada in wartime is equally striking. Since 1939, Canadian production of iron and steel has doubled, her production of chemicals has more than doubled; her automobile industry has been greatly expanded to produce military trucks. In other products where Canada possessed no production, she is now supplying aircraft, machine tools, and machinery for herself and the United Nations.

In South Africa, war is establishing a number of light industries. It is giving the Union its first great chance to diversify its industrial structure and so to escape from its dangerous dependence upon gold mining. New railways, arms plants, mills and factories have been established in the Union, and under the direction of an American-trained engineer, Dr. Vanderbyl, a totally new pattern of industry has been created. A Government corporation, Iscor, established by Vanderbyl holds 90 per cent of the shares of all new industrial enterprises and integrates the Union's basic industries. The corporations which the Government establishes, the Bylcos, are let on short-term leases to private industry. The Government, however, continues to supervise operations. This departure, with its unlimited possibilities, was started shortly before the war, but the war has established it. In his latest report, Dr. Vanderbyl advocates equal pay and equal working conditions for white and Negro workers in the Bylcos. This fissure

opened in the oppression of 12,000,000 Negroes by 2,000,000 whites is truly significant.

In some degree, the whole of Africa is undergoing a similar transformation. Equatorial Africa has suddenly been opened up by the needs of the ferry service that takes bombers and supplies from America to the Near East, Russia, and China. On the West Coast of Africa, the development of industry and transportation has been rapidly accelerated. In the Belgian Congo, whose resources have been turned over to Britain, the increase in production has been enormous.

But of all the countries of the empires, the industrialization of India is the most significant for the future.

In the twenty years before the war, India's industrial expansion was confined to textiles and other light industries. India's heavy resources were left undeveloped and she was kept wholly dependent upon imports for basic industrial needs of machinery and factory equipment. In the last months of British rearmament and the first months of the war, no serious effort was made to increase Indian production. Britain herself was suffering so greatly from shortages of industrial equipment that even had the will been present, it could not have been carried out.

But 1940 brought decisive changes. The overwhelming of France, the bombing of British factories, the shortage of shipping, the threatened loss of the Mediterranean, the growing hostility of Japan, and the reorganization of the British war effort under Churchill all combined to demand that India and Australia be made the industrial supply centres of the Middle East and South-east Asia. In the Eastern Group Conference that met at New Delhi in the autumn of 1940, a programme of intensive industrialization of India was agreed upon.

Between 1939 and 1942 India's production of pig iron was increased by a third. Her production of finished steel was raised from 867,000 tons in 1939 to 2,000,000 tons. She is rolling steel plates for the first time. She has established her own aircraft assembly plants. Machine tools and machinery are about to be produced in India in substantial quantities, and engineering shops are being established in great numbers.

The entry of America and of Japan into the war brought a new burst of industrialization for India. It received a great impetus with the arrival of the American Economic Mission, headed by Henry Grady in March, 1942. The Mission found that India's magnificent metallurgical resources were largely unused, and that a pipe line to carry oil from Bombay to the industrial north and China was urgently needed.

It found also that the Indian industries that had been developed were operating largely on a business-as-usual basis and that no Government agency existed to convert them to war work. It found further that lack of skilled labour was not a major barrier to Indian industrial development. The principal engineer of the Mission discovered that Indian workers earning sixty-five cents a day in poorly lighted factories were turning out excellent machine tools. He discovered that in the Firestone plant in Bombay Indian workers were turning out as much per man as in the Firestone plant in Detroit, and that the productivity per man in the Tata steel works at Jamshedpur was as high as the productivity of American workers in similar mills in Pittsburgh.

Today the battle for Indian industrialization is still raging. The Grady mission is pressing for India's full development, and is meeting with considerable resistance. There is the tension between the British and American Governments, the rivalry of British and Indian manufacturers in India, the opposition of vested interests in American industry that must be overcome. Yet whether or not India's full potential is realized, it is certain that her economy will be transformed before this war is over.

In China, whose leaders are more conscious of the need for a long-range industrialization programme than those of any other nation, wartime industrialization has been delayed by the severing of China's supply line. China's greatest industrial region, her seaboard, was captured by Japan early in the war. Yet the will to industrialize is so intense in China that by strapping machinery onto the backs of refugees and marching them into the interior, China has maintained her industrial output. In 1940 China succeeded in producing \$20,000,000 worth of industrial products; in 1941, she raised this production by five and a half times. Today China is rapidly developing her steel production, she is opening new mines and is producing chemical products, gas engines, blast furnaces, steam turbines, oil burners, electrical appliances—goods that she never produced before.

And like South Africa, China has brought her industrialization about through entirely new forms of ownership and operation. Armaments production in China is being organized by the Arsenal Administration of the Ministry of War. Heavy industry is being developed through the National Resources Commissar and other Government agencies. Light industry is being widely extended under the Chinese Industrial Co-operatives. The two thousand units of the co-operatives produce

everything from soap to artillery; their major campaign now is to produce one million blankets for the army. The Chinese are not afraid of the future.

Lastly, Latin America is experiencing the same wartime economic transformation. Like India and Australia, its imports of civilian manufactures have been cut off and are being replaced by domestic industries. At the same time we are undertaking a great expansion of industrial production and of transportation facilities in Latin America which its role as an important United Nations supplier demands.

In Cuba we have undertaken a programme of industrial expansion that began in April, 1942, with a \$20,000,000 loan. In Peru we are starting a similar programme. In Nicaragua we are establishing a farm machinery industry; in Chile our unlimited needs for copper and nitrates are causing a rate of forced industrialization so rapid that it is resulting in a real sacrifice of living standards among Chilean workers.

With Mexico we are engaged now in a six-point development programme that provides for the construction of major steel and tin-plate rolling mills, for the reorganization of the Mexican railways, and for the building of cargo vessels, docks, and refineries. The industrialization programme of Brazil is the most ambitious of all. It was begun with the five-year plan of 1939 and it has grown into a programme that has already established aircraft engine plants and improved port facilities in Brazil; it now includes the unified development of the Amazon Valley and the construction of a large-scale modern steel plant and rolling mill, the only one of its kind in Latin America.

And once again this programme of industrialization has created new kinds of economic relationships. The joint development of the programmes is undertaken by the Inter-American Development Commission. In each Latin American republic a branch of the Commission, made up entirely of the nationals of the republic, surveys the country's needs and submits recommendations to the central body in Washington. There a committee on which Americans remain in a minority reviews the recommendations and requests a loan from the Export-Import Bank. This Bank is an American Government bank and the funds which it lends are primarily to other Governments. In this way the old evils of private exploitation of undeveloped countries are lessened.

In its contracts with Latin American republics for supplies needed

for the war, the Board of Economic Warfare includes a labour programme requiring that the conditions of employment on any project "shall be such as to maximize production and minimize those conditions of health, safety, housing, sanitation, and labour which may tend to limit productivity."

IV. THE GROWTH OF POLITICAL DEMOCRACY

In America, in England, in all of the democracies, we can see, every day, the tremendous new changes in our lives that this war is bringing about. But the revolutionary incidence of this war is greater in the undeveloped nations than in the democracies.

It is in China above all that war has meant the liberation of democratic forces, and China is the centre of advance for all of Asia. The Japanese invasion itself, by forcing the armies and the Government of China into the interior, brought the new world to the most feudal regions of China. Madame Sun Yat-Sen describes how

in one of the most backward regions of China, and in the Shansi and Shensi provinces, in the midst of the war, women have moved from the darkness of the feudal past to a position which for their sisters in the rest of China, lies only in the future.¹

Yet for all of Free China the change was scarcely less revolutionary. When China was threatened by Japan in 1932 she was so weakened by civil war and the domination of a rotten feudal system that resistance was altogether impossible without a major social transformation. For even in the most immediate sense the central Government could not operate in China under the existing system of landholding; that was China's most fundamental evil.

Over all of China the history of a significant part of Government was the history of a struggle between Government and the landlords to determine whether the main income of China, in the surplus of rice and grain, should go to the landlords in rent or to the Government in taxes. By collecting their rents in kind the landlords were often able to impoverish a central Government that could not hold and dispose of crops. In regions where the landlords became so powerful that their ability to collect rent outweighed the ability of the Government to collect taxes, a kind of provincial regionalism grew up that was

¹ Soong Ching Ling, "The Chinese Women's Fight for Freedom," *Asia*, July, 1942.

retrogressive in character and completely destructive of national unity and national development in China.

In wartime China the balance has begun to change. The Central Government needs huge stores of rice and grain to feed its troops. Also the inflation that followed the hoarding of stores of these crops by landlords and speculators has made it essential for the Central Government to hold its own stores.

Consequently the Central Government has been able to institute an altogether new form of tax—a tax in kind. Under this new tax, the landlord is compelled to state the yield in crops of his land holdings. The Government is able to purchase the land on the basis of the landlord's estimate. So, if the landlord overestimates the crop yield he pays an extra tax premium; if he underestimates it he may be forced to sell at a low price.

This land tax which the Government is establishing is not simply an effective means of collecting revenue and shifting the balance against the landlords. It may become a means of establishing in China a Government-held Ever-Normal Granary and also a practical way of financing the purchase of land by the peasants.

At the same time a new kind of regional activity is growing up. In Southern Kiangsi, for example, the son of Chiang Kai-shek, Chiang Ching Kuo, is administering a region on a unified reform basis. The society of this region is based on five "New Deal" principles:

Everyone has work to do.

Everyone has food to eat.

Everyone has clothes to wear.

Everyone has a house to live in.

Everyone has books to read.

In China the main source of feudal protection lay in the provincial Governments with their local dictators and their war lords. Now the new forces of democracy are pressing upon the provincial Governments through the relationship which has been established between the Central Government and the counties. Formerly the counties were controlled by officials appointed by the provincial Governments. Slowly the Central Government is extending the political franchise in China on the basis of the counties. In this way a new structure of democracy may arise.

At least the pattern is visible: the growth of national unity and the simultaneous growth of community participation, the development

of Government ownership in industry and the parallel growth of land reform, the emergence of "New Deal" principles and the further expression of political democracy. Point by point the "New Deal" principles are identical with the principles of our own affirmative society. So it is that China is moving towards the same ends to which we are feeling our way. *The three principles of San Yat-sen—of socialism, of democracy, and of national equality within a world society—are the vision of the new kind of national development that the undeveloped nations are crying out for. And this pattern of national development leads to a final synthesis with our own future society.*

In Asia as in the West the war is working powerfully for the future. But it would be a terrible blunder to assume that war, unaided, will have its way.

V. LIBERATION OR NEW ENSLAVEMENT?

It would be a blunder to assume that unaided war will bring progress, because today, desperate as our struggle is, there are powerful forces here and in Britain—and in the countries struggling for liberation—that are obstructing every advance, even if it means the defeat of the United Nations.

We Are Still Looking Back to the Past

We are still failing to realize how fatal were our failures of the past, how final now is the break with the past that the war has made.

The first great opportunity offered by the war is the physical destruction of empire; in our indecent haste to return to the world of 1938, we are acting as if two-thirds of the world had forgotten Singapore.

Turn to the financial page of your paper on any morning, look at the annual reports of any British, Dutch, or American company with property in South-east Asia from where we fled. A rubber company, the MacPegoh Limited, reports:

Recent unfortunate events in Malaya have seriously affected our company. We have been deprived for the present of all our estates. . . . We have provided £10,000 for deferred replanting. Before the invasion of Malaya took place your directors had decided to limit their replanting programmes owing to shortage of labour in the East. . . . To what extent it may be necessary

to adopt a much more comprehensive programme after Malaya has been freed from the enemy, it is of course impossible to say.

But the following is surely the most fantastic and terrible of all. It is taken from the brilliant service *Netherlands News Digest*, as an example of Dutch resistance to the Nazis.

A boom in colonial and shipping securities on the Amsterdam Stock Exchange stemming from the confidence of the Netherlands people in the growing might of the United Nations has drawn some rueful comment from the Nazi-controlled press. The Fascist newspaper, *De Waag*, said many persons who knew nothing about the stock exchange were bidding up colonial shares in the belief that "it will not be long before America reconquers the Netherlands East Indies"—and their property will be greater than ever before.

Continuing in pessimistic comment, *De Waag* wryly said, "Regarding other shares, the people observe that 27,000,000 well-fed and well-equipped Russians are ready to meet the German offensive."

So 27,000,000 well-fed and well-equipped communists are going to recapture for us the empires that we lost!

Unfortunately Britain seems to share this attitude toward her Empire.

Among farsseeing British colonial administrators, the notion is prevalent that the Empire may have to be shared by America, but it will not be lost. Even in truly progressive circles in Britain no fundamental change in Empire relations is sought after. The central aim of proposals of *The New Statesman*, P.E.P., the Democratic Order series, of Francis Williams, and of writers such as Julian Huxley, is to democratize the Empire rather than to bring it within the terms of the United Nations. The Labour Party's report, *The Old World and the New Society*, states:

The Labour Party continues to affirm that in all colonial territories the primary object of the administration must be the well-being, education and development of the native inhabitants and their training in every possible way so that they may be able, in the shortest possible time, to govern themselves. . . . While the Labour Party admits that for a long time to come the effective control of these territories must remain under Parliament, in the

hands of the Colonial Office, it must demand that the whole process of government be geared to the supreme purpose of fitting the native races to determine their own destiny.

This bold statement is justified as a reaffirmation of "historic principles." But its tepid quality would make the Labour Party leaders of 1917 who drafted the concrete programme "Labour and the New Order" cringe with shame.

In the same way we have changed nothing in our relations with Latin America. The Inter-American Development Commission is still a one-sided affair. The State Department has fought, and for the present won its fight, to control all representation of the United States in Latin America. Thus the new programmes remain in old hands, where they are quietly crushed to death.

For all the fine speeches about hemisphere solidarity the United States was feared and hated by the peoples of Latin America at the moment when we were challenged by Japan. Our great industrial raw material monopolies were shamelessly exploiting Latin American property and lives and knowledge of this generated an intense hostility towards the United States.

We Are Failing to Use Our Strength

We have preached democracy to people living under other systems and denied it to those whom we have ruled. The most extraordinary and moving circumstance in all the world is that for the oppressed peoples our form of democracy is an idea for which they will work and die. Yet we are doing little now to use the strength that they are offering us.

We are failing to use our strength in Latin America. It lies in the Latin American people and we are failing to reach them. Far from reaching them we are perpetuating in power the men who oppress them. In Argentina we have ignored the appeals of Argentina liberals to force the hand of a Government that is fast establishing a Fascist dictatorship. In Chile, where the Axis has been particularly active in supporting local Fascists, we have given no support to followers of the United Nations. In many republics we are threatening to reverse the trend towards democracy in Latin America. Dictators who formerly were unable to hold power for long now find themselves permanently entrenched through a superficial orientation towards the United States.

Today the Latin American republics are protesting that they cannot live on rhetoric. Nine of them are at war with the Axis, and nine others have broken all diplomatic relations as a measure of co-operation with the United Nations. They are crying out for war contracts, for the conversion of their factories to war work, for the pooling of their economies with our economy. But we are holding back. On August 1, 1942, the first tentative trial balloon was released by four of our Government agencies. They suggested that since we can no longer ship civilian goods to Latin America, we might ease the acute economic dislocation there by transferring to Latin American plants the unused machinery taken out of American factories converted to war production: *provided that the machinery would serve to replate only goods that came from Europe; that it in no way jeopardized our competitive advantages; that it used only local raw materials; and that it was obsolete.* Yet even this was more than American industrialists could stand. So the economic crisis in Latin America is deepening, and with each new rise in prices there is a drop in popular support for the United Nations.

We are failing to use our strength in the Middle East. Of the 45,000,000 people of the Middle East, a mere 16,000 are under arms for the United Nations.

We are failing, tragically, to develop our strength in China. There is no political democracy in China yet. The struggle for power between reaction and democracy is still raging and reaches within the central Government. The outcome of this struggle depends very much on us, for those who demand greater democracy in China use China's friendship with Britain and America as their main weapons. Yet we do nothing to encourage them.

Of China Owen Lattimore writes:

China has long stood at one end of a scale of values. It was a country that was not a colony although many countries held in it privileges and rights of a colonial character. Below it were ranged the "enlightened colonial systems" of the Philippines and the Netherlands Indies, the vast bulk of India, combining many of the most enlightened and least liberal phenomena of imperial rule and colonial subjection; the mandated colonial areas and the intermediate ranks. In a scale of values of this kind every interval is sensitive to changes in every other interval. Although China stands at the very end of the colonial scale and not fully within

it, a fall in the standing of China would instantly bring about a hardening of the imperial system everywhere. Similarly a rise in the standing of China is instantly followed by a lessening of imperial prestige throughout the colonial world and by movements which range from demands for immediate emancipation to ones for increased representation and for visible advances towards ultimate self-government. Nor are these effects confined to the colonial world. . . . We have been living for a round century in a world in which the colonial system has formed an integrated part of the dominant democratic system.¹

This is surely an underlying reason for our attitude towards China, even when we need her most.

We are failing to use our strength in India—and this is the most costly, most tragic, most unnecessary failure of all.

Of all the nationalist movements in the world, the nationalist movement in India has been the least national-minded of any. Over and over Nehru has stated that he desires India to be a “united, free, democratic country, closely associated in a world federation with other free nations.” The terms in which the Indian Congress has expressed itself over the last eight years have not only been based on sympathy with world democracy; the Congress’s resolutions supporting Ethiopia, Spain, and Manchuria, its boycott of Japan, and its aid to China have been based on militant solidarity with democratic resistance in war.

There have been many weaknesses in the leadership of the Indian nationalist movement. Like most national movements it has been largely limited to middle class groups. It has been further identified, through Gandhi, with a social approach which has offered almost no solution to the pressing problems of poverty, overpopulation, and communal backwardness on which Indian nationalism is founded. In addition, India has not been able to take advantage of the one major achievement of British rule: the federal administration of India.

Today these weaknesses have undermined India’s ability to form a national Government for the mobilization of India in wartime. Yet it is impossible to analyse the three years of negotiations in India without concluding that some Indian leaders have possessed a deeper under-

¹ Owen Lattimore, *op. cit.*, pp. 699–700.

standing of the issues involved in victory than most British Government officials. Jawaharlal Nehru proved this when he wrote:

The war is obviously part of a great revolution taking place throughout the world. The urgent need is to give a moral and revolutionary lead to the world, to convince it that the old order has gone and a new one, really based on freedom and on democracy, has taken its place. . . . The grand strategy of war requires an understanding of the urges that move people to action and sacrifice for a cause. It requires sacrifice not only of the lives of brave men, but of racial prejudices, of inherited conceptions of political or economic domination and exploitation of others, of vested interests of small groups that hinder the growth and development of others. It requires *translation into action* insofar as possible of the new order based on the political and economic freedom of all countries, of world co-operation of free peoples, of revolutionary leadership along these lines, and of capacity to dare and face riots. What vested interests are we going to protect for years to come when the interests of humanity itself are at stake today?¹

When war broke out in 1939, the Government of the British Viceroy was a purely provisional Government whose purpose was to tide over the five years before the enactment in India of the Constitution of 1935. Yet for India, the immediate result of the war was a dashing of the hopes, even of the limited reforms that the Constitution offered. Within a few hours of the British declaration of war, the Viceroy declared India to be a belligerent and simultaneously issued an ordinance containing drastic powers for the suppression of internal disorder. Eight days later the completion of the Federal Constitution was suspended for the duration of the war.

The Working Committee of the Congress Party pressed justifiably for the continuation of reform. "If Great Britain fights for the maintenance and extension of democracy," it stated, "then she must necessarily end imperialism in her own possessions. . . . A free and democratic India will gladly associate herself with other free nations for mutual defence against aggression and for economic co-operation."² The Viceroy replied in a statement published in London, proposing

¹ Jawaharlal Nehru, "India's Day of Reckoning," *Fortune*, April, 1942.

² It must be added that this was no commitment to fight.

the formation of a "consultative group" and renewing the pledge of future dominion status made ten years before. Later the Viceroy offered as a further concession the appointment of representative Indians to his executive as well as his advisory council. But in no sense was the Viceroy's council made a provisional Government in which Indians fully participated.

When the Japanese entry into the war increased the danger to Indian independence and the possibility of compromise, Sir Stafford Cripps brought to India far-reaching proposals of reform. He went beyond any previous offer in specifying the date of achievement of dominion status, of entrusting the drafting of a future constitution to Indians, and of withholding no "reserved powers" for the British Government. Yet the Cripps plan was cast in the classical mould of meeting a present crisis by promising reforms at a future date and reserving present powers to the Viceroy. It was not based on an appreciation of the true impact upon India of the fall of Singapore and the extent to which Indian demands had shifted from the assurance of a constituent assembly in the future to the granting of immediate participation in the war effort.

When those who supported the war were denied the right to participate in the war effort, it was inevitable that the Congress leadership should return to those unconcerned in the war effort—Gandhi and some industrialists. Every move toward Indian independence was distorted by this change in leadership into a move away from Indian resistance. The main purpose of the British became to discredit the nationalist movement around which alone a spirit of resistance among the Indian people could have been built. Now, though we are drawing some supplies from India, the country is rotten, ready to fall apart at the first blow. And this is our fault. For at heart when war broke out, the British in India entrenched themselves and prepared for war—not against the Axis, but against the Indian people.

Why Are We Failing?

Our failure in India is our failure the world over. It is the failure to develop the United Nations, the failure to organize the underground, the failure to use our own resources; it is the failure to understand the nature of this war.

In the first months of the war, Neville Chamberlain refused to contract for more than a few aircraft plants in America because he

thought that Britain could win the war without them; he hoped that Britain could have victory *and* her foreign holdings.

Today Chamberlain is gone, but his ghost remains to damn every one of us; we still are blinding ourselves to the tasks of victory; we still don't want victory enough.

We still hope for victory *and* our investments; for victory *and* our wealth; for victory *and* our empires with the peoples we have oppressed.

"You could have saved us, but you cut us down; one day you will be cut down and we will not be there to save you." There are excuses for our failings in production, real reasons why in battle we lost that ridge, this hill. But face to face with the millions in this war for freedom, to whom we dare not promise the freedom that we have kept from them, our rhetoric stumbles to a stop, our excuses die in our throats.

For once more it was not victory alone that we desired; it was victory *and* privilege—privilege through power over the lives of others. We thought that this war was like other wars; that this time too we could scrape by with a concession here, there a quick repressive blow to restore discipline. When concessions were insufficient and repression was unwise, we offered our last card—promises. We have been generous with promises; believing once again that this war was like all wars that promises would bear us safely in this trial through which we pass.

But the world is sadder and older than it was in 1917, and this war is harder.

In India we faced our greatest trial and met with our greatest defeat. A people who have been suppressed for a hundred years discount at a very high rate future as against present worth. As the worth of all promises declined we raised the value of each; but it served no purpose. India replied:

No promises for the future are good enough, no half measures will help; it is the present that counts; for it is in the present that the future will take shape. The Atlantic Charter is a pious and nebulous expression of hope which stimulates nobody, and even this, Mr. Churchill tells us, does not apply to India. . . . Only freedom and the conviction that they are fighting for their own freedom can make people fight as the Chinese and Russians have fought.¹

¹ Jawaharlal Nehru, *op. cit.*

The indifference of the British Labour Party with its "historic principles" and its five Cabinet members was the sorriest of all failures. In one paragraph of the Labour Party's report, every lost opportunity, every Fascist victory in this war, is summed up:

So far in this war, none of the imperial questions faced by this country has been lifted to a new plane of discussion; the urgency of conflict has made it always difficult and often impossible to embark upon new developments in any vital way. The Labour Party at the moment can therefore do little more in this realm than reaffirm the historic principles to which it is committed and to note the special emphasis which, in the present situation, certain of these principles require.

Jam yesterday and jam tomorrow, but never jam today. While the war is being lost for lack of their participation, the peoples of the empires are to grind their teeth and endure, knowing that ten thousand miles away historic principles are being reaffirmed and special emphasis noted! This is the philosophy that nearly cost us the war. The reply of the Indian Congress to Sir Stafford Cripps, whom British conservatism held as an unwilling hostage to this philosophy, sums up finally and unanswerably the only great lesson that victory requires us to learn:

"In this grave crisis, it is the present that counts."

WARTIME EUROPE—OUR FEDERAL OPPORTUNITY

I

THE final condition of world progress is the destruction of unlimited national sovereignty and the positive solution of the problem of nationalities.

The achievement of this condition, too, has been brought within our grasp by the war.

For in Europe, now occupied by the Nazis, national sovereignty, like non-German private enterprise, has been carried away on the floods of war.

II

In the last war, ghastly as it was, both sides played according to the rules of the game. These rules were the Articles of the Hague Convention which provide that any nation occupying another by military force is bound to respect the occupied nation's political and social structure, and to superimpose upon this structure only the minimum controls required to maintain order. But the Nazis know no forms of contract, no laws of conduct, no limits of plunder. Their aim is the destruction, not of the armies of the enemy, but of every aspect of national life other than the life of Germany.

Today, in Europe, all industry is owned or rigidly controlled by Germany. The transportation and utility industries of Europe—the heart of each national economy—have been completely taken over by Germany. The entire European system of communications is also completely under German control.

The basic raw material resources of Europe—coal, iron and steel, oil, potash, manganese, bauxite—have all been seized and reorganized under German monopolies. One German-owned coal monopoly—the Reichsvereinigung Kohle—controls all of the production of coal in Europe; one German oil monopoly—the Kontinental Oel A. G.—controls the production of all of Europe's oil. The iron and steel of Europe have passed from the ownership of non-German companies

to German monopolies alone; so have all the basic mines and manufacturing plants, the shipyards and the textile mills.

The secondary industries of Europe—the clothing and handicraft manufacturers, the wholesale and retail trading systems, and all other forms of organized production—have been brought within the giant Reich Estate of Trade and Industry. Europe's old trade organizations have been dissolved or are in process of dissolution. Europe's workers are being reorganized into trade groups established on a functional and a regional basis. The German administrators of each group fix prices, production, and costs. In each region the German War Economy Boards established by the army take constant inventories of all assets, allocate raw materials, and direct production. In totally enslaved areas—Poland, Czechoslovakia, Alsace-Lorraine, and others—German monopolies openly give their names to industrial organizations. In France and Belgium, where some trifling pretence of autonomy is still made, some industries are organized into trusts, such as Francolour, the French dyestuffs industry, and Sybelac, the Belgian steel syndicate. But these trusts are only a pretence of national organization. In fact their administration and their controlling bodies of stock are in German hands.

Today in Europe all agricultural production is organized in one system. In the case of the vast regions incorporated into the Reich, peasants and farmers are being driven from the land to make way for German settlers.

This is the long-term policy of the Nazis for all of Europe. All farmers and peasants are to be driven into the bondage of landless labourers working as serfs on great estates, ruled by German overseers. Those who remain as proprietors will be held on plots so tiny and so poor that their children will gladly accept work in German factories at slave wages.

But a shortage of farm machinery prevents Germany from carrying through this policy at once. So the Nazis incorporate the farms that remain in non-German hands either into the German agricultural estate, or into its nominally independent subsidiaries that are created for certain occupied areas. Each of these areas has its German farm commissioner; in each, farm production is broken down by regions and by products so that at the bottom of the scale each farming family receives exact orders as to what it is to produce.

Today in Europe the labour of every country is organized in one

pool to produce for the German war economy. All men in Europe from 18 to 50 are now, or soon will be, subject to compulsory labour service. All of them must register with the Nazi authorities. None of them may be employed in strategic industries without a license issued by the Nazis. Any of them is subject to transportation anywhere in the German-controlled territories at any time. In every region the equivalent of the German labour front recruits and directs all labour. It directs the pay and standards of living of European workers according to their status in the blood hierarchy of the Nazis.¹

Today in Europe the banking and currency system of every occupied country is part of a single German system. The Reichsmark is the controlling currency and all national currencies that remain are kept only because, through their enforced undervaluation in terms of Reichsmarks, the nations in which they circulate may be more highly exploited. In the areas where the new order has been most firmly established, national banks have been altogether abolished and replaced by branches of the great German banks. In other areas, German banks of issue have been formed to hold the vast sums of blocked marks by which Germany puts the stamp of legality on her plunder. In each of the remaining banks which is not completely owned and operated by Germany, a German sits at the side of the local Nazi banker, and the German Offices for Bank Supervision dictate the banking practices that are to be followed.

Today also the entire system of investment and commerce of Europe is in German hands. Tariffs, of course, are abolished. Trade is controlled by the German Clearing Office, through which the activities of all importers and exporters within Europe are centralized. Into this office all payments within the occupied areas are finally made. What trade continues between European countries—and it is strictly limited—is determined entirely by German-established quotas. In the same way, all of the investments held by the nationals of one European country in another are taken over by Germans.

III

The destruction of economic sovereignty in Europe demands the destruction of political and cultural sovereignty, too.

Because German conquests have been continuous over the last five

¹ For a full and brilliant account of techniques of German occupation, see Thomas Reville, *The Spoil of Europe*, George Allen & Unwin, Ltd., 1941.

years, the degree of enslavement varies. The German rule of today over two early conquests, Poland and Czechoslovakia, is the pattern for the German rule of tomorrow over the rest of Europe.

Poland today is ruled as a slave State. The Nazi President of Lodz, Uebehor, declares:

We are the masters. So we must behave as masters. The Pole is a servant and must serve us. We must have steel in our backbone and never admit that Poland can be reborn.¹

The political guidebook of the Nazi party members who are to rule Poland states:

. . . Germany's position in the East can be considered as secure only when . . . it will be impossible for elements foreign to our race to bring about social transformations from below.

In accordance with this doctrine, Germany has stripped the principal regions of Poland of all national administration. In non-German Poland all former legislation has been suppressed. Through the German administered central offices of the Polish Government-General, the Germanization of the entire national life is carried out. The universities, the secondary schools, and many of the primary schools are permanently closed. All bookshops have been closed and all new publications prohibited. The Department of Culture and Propaganda of the Government-General forbids the playing of serious drama and of opera and of all marches, popular and patriotic songs, and classical Polish music.²

In Czechoslovakia the same ruthless Germanization has been forced on the Czech people.

In Belgium, Holland, and Norway, the elimination of the State machinery was more gradual. In each case the German protector began by offering to respect the existing machinery in return for full collaboration. In each case the sincerity of the protectors was initially accepted. In the belief that the Nazis would leave the political organization of their country untouched, the Belgian Government retired leaving all power in the hands of the Secretary-Generals—the permanent heads of each of the Government departments—with instructions

¹ *Lodz Zeitung*, November 12, 1939, quoted in *German Occupation of Poland*, New York, 1941, p. 2.

² These facts are taken from the *German Occupation of Poland*, *supra*, pp. 41-46.

to continue to administer Belgium. Very much obliged, the Nazis presented the Secretary-Generals with the programme of Nazification which they wished to be carried out. Within a few months the Belgian Government-in-exile found it necessary to warn the Secretary-Generals against full collaboration.¹

In Holland, where the civil service did not collaborate, the Nazis moved along two lines. They established their own administrative system and they directed the Dutch Nazi movement, under Anton Mussert, to set up alongside the existing Dutch institutions an Agrarian front and similar fronts of labour, church, industry, and education, which could form part of the corresponding Reich estates.

In Norway, where the Nazis offered a truce to the trade unions, Norwegian labour faced a dilemma.

Should it dissolve all its operations and refuse every kind of negotiation with the hated invader or should it maintain its organizations for the protection of the workers against further impositions? Eventually it was decided to carry on the organizations, lest the working classes be left in confusion.²

The notion that the Norwegian workers could be protected from impositions under Nazi rule arose from a lack of appreciation of Nazi objectives. The Nazi economic commissioner for Norway announced at once that "Through the lowering of real wages and thereby of living standards it is hoped that the co-ordination of the Norwegian economy into a European economic order will be achieved." When the Nazis undertook to carry out this programme the union leaders in July, 1941, called for a mass exodus from the unions. On September 10th, a general strike of Norwegian labour began. Then the Nazis proclaimed a civil emergency, dissolved labour and employer organizations, and executed two labour leaders: one the outstanding union organizer, Vigo Hansteen; the other, an unknown man, picked at random by Heydrich to terrorize the thousands of other labour leaders who were imprisoned.

In all occupied countries this shift from collaboration to suppression was inherent in Nazi rule. Even where, as in France, a myth of independent administration remains, the myth can only be short-lived.

¹ For these warnings, see *Belgium*, New York, Nos. 11 and 17.

² "Nazism v. Labour in Norway," Royal Norwegian Government, Washington, D.C., 1942, p. 8.

For in the same way that the intensification of the exploitation of Europe for the German war effort must result in an extension of German economic controls, so it must also result in an extension of Nazi political control.

IV

In all of their acts it is clear that when the Nazis hammer Europe into their war economy, they are creating the permanent structure of the New Order. The Nazis not only believe this, but they believe in exploiting it for propaganda purposes.

The German Minister for Economic Affairs, Walther Funk, declares: "The answer to the question of future economic order in Europe is that after the victorious end of the war we shall apply those methods in economic policy which have guaranteed the greatest economic success before, and in particular during the war. We do not think of again making effective the unorganized system."¹

From everything that the Nazis have done and said it is clear that unlike ourselves they do not believe that the dislocation caused by the reorganization of the economic structure is so terrible that it must not be undertaken until breakdown is imminent. Unlike us they understand that the war is the peace, that the future does not wait until the war's end to unfold itself, but is here, now, to be won or lost.

V

What is there of permanent significance for us in all that the Nazis have done?

It must be finally clear that although the Nazis may create the basis for a united Europe, Europe cannot be united under their leadership.

To be united, Europe must consist of freely co-operating peoples; otherwise there must be perpetual civil war. But the Nazis deliberately keep open the wounds of war.

This ceaseless war upon non-Germans in Europe is the central reason why Fascism can never unify Europe; but it is not the only reason. For all of the institutional barriers to unity that the Nazis have smashed, the real barriers to the unification of Europe remain.

They are principally the feudal oppression of the peasants; the

¹ *Maratschutte fuer Auswastige Politik*, 1940.

exploitation of industrial workers; the unbalance between industry and agriculture; the inequality before the law and the absence of equal political rights; the absence of an educational system that teaches unity; the persistence of aggressive nationalism. All of these barriers to true unification the Nazis have intensified.

Clearly the Nazis have failed to unify Europe. They have destroyed the institutional barriers to unity, but they have failed to create the spirit of unity on which acceptable new institutions can be built. Because they are Nazis, they have established their new institutions in the absence of any spirit. They have brought all private banks under one private banking system. They have brought all feudal estates under one feudal estate. They have brought all cartels into one cartel, all monopolies into one monopoly, all trusts into one trust. They have brought a thousand exploiting groups of landowners, stockholders, petty dictators, overbearing army officers, into one great German mass of exploiters. They have brought all of the traitors of Europe into the service of one traitor. *So the historic task of the Nazis is revealed; they have united all of the forces of disunity in Europe; they have stoked a hellish furnace in which all of the evil, all the imperfections, have been melted into one heaving slag heap that we may gather up and bury for evermore.*

VI

But will we bury it?

When the Nazis are rolled back across Europe what remains of the structure of national government will be either in German hands or in the hands of puppets. What remains of the structure of private enterprise—the ownership of the banks, the mines, the factories, the cities, the railways, the land—will also be in German hands, or in the hands of similar puppets who have been working for the Germans.

Never has there been such an opportunity!

Among the peoples of Europe there will be no move to restore the old Europe. There will be no move to restore the old political structure with the intrigues of the foreign offices, and the misery and recurrence of wars which all Europeans now recognize are inherent in unlimited national sovereignty. Nor will there be any move to restore the old economic structure.

At least the European underground is making plain what its war aims are: they are socialism and European federation. The under-

ground papers constantly stress that their opposition to the Nazis is based essentially upon the fact that the Nazis are the main barriers to European and to world unity. All of these papers foresee a United Europe within the framework of a world organization. Most of these papers assert that within this United Europe basic resources are to be publicly owned and operated.

In general the papers of the European underground assert that it is wrong for the underground to speculate upon the details of a European union; many intellectual groups, however, have formed to discuss future national and federal constitutions.

This is the spirit of the most active sections of the European underground. The leaders of this movement have strongly impressed upon the British and American Governments that they will not work with us unless their aims are recognized. They have added that they will accept only the members of the free Governments who are alive to this new spirit of European unity.

The three Governments-in-exile that are closest to their own peoples are the Czechoslovak, the Polish, and the Norwegian Governments. It is altogether striking that these should be the three Governments that have advanced farthest in seeing themselves as part of a United Europe that in turn will serve to maintain the friendship of Russia, Britain, and America. The Norwegian Government states that it desires "to serve as a bridge between the Soviet Union and the Atlantic powers."

The Norwegian Government has abandoned the pre-war idea of a Nordic bloc of Norway, Sweden, Denmark, and Finland on the grounds that it no longer coincides with the interests of a United Europe. It now desires one organization, backed by regional agreements. The Czech and the Polish free Governments are beginning to think in the same terms. In January, 1942, a co-ordinating committee of the two Governments concluded an agreement for a Czecho-Polish Confederation. It provides that the Governments of these two countries will be representative and will guarantee civil liberties to all citizens. Underlying the agreement is an understanding that the social relations within both parts of the Confederation will be brought together through a policy of land reform and friendship for both Russia and Britain. The agreement provides that the Confederation may be extended to any Central European country that accepts these conditions.

Yet by itself this confederation may represent nothing more than a close military alliance against Germany and a bid of both countries to be seen as the successor to France in dominating a divided Europe. If the confederation is to be extended to Yugoslavia and Greece then it would still be an unstable union, with no natural economic basis and no inherent social balance. If the confederation is seen to be a preliminary step in the joining together of all Europe, then it is of great promise. But it is hard to believe that within a European federation there would be any basis for regional alliances. By what powers would they be concluded? How would they be enforced.

The agreement for a "Balkan Union" concluded between Greece and Yugoslavia on January 15, 1942, is surely a strange document. It provides for

"1. *A political Organ* constituted by the Ministers for Foreign Affairs," and for

"3. *The Permanent Military Organ*. This Organ, wherein the Governments will be represented by their Chiefs or by their Representatives, will constitute at the side of the National General Staffs a Common General Staff of the National Armies."

What's that? National General Staffs, National Armies, of King George's Greece and King Peter's Yugoslavia? This does not even sound like 1932 when, almost word for word, this same "Balkan Union" was first concluded. It smacks of 1910.

Obviously this Union must have been formed with the approval of the British Foreign Office, and, indirectly, of our own State Department. What is its purpose? What are the plans that the Foreign Office, the State Department, and the armies are preparing, all in secret, all withheld from each other and even from their own Governments; all never so much as hinted at? In the months after Pearl Harbour the free Governments assumed that Britain and America would offer an altogether new leadership to Europe. They made it clear that they were prepared to advance very far in their own thinking concerning the future. But we remained in silence. Why? Are we so afraid of a few loudmouths in our own country that we dare not give any indication of what we are fighting for? This surely is an incredible way to wage a United Nations war!

If the liberal elements in the free Governments persist in seeking a new future we have other means of frustrating them. We established the Free French movement to bring about the future of France, and

we do everything to insult and humiliate it by conniving with its enemies in Vichy. We urge the free Norwegian Government to develop plans for federation, and simultaneously listen in the most friendly fashion to the Finns, who, as the agents of the Nazis, are intriguing for an anti-Soviet peace. We speak of a unified Europe and we encourage the development of a Fascist Catholic bloc led by the Franco Government that not only undermines European resistance, but strikes at the Western Hemisphere. We expect the Czechs to give up their lives, yet we have continued to favour reactionary Hungary as against pro-Soviet Czechoslovakia. When we failed to entice the feudal Hungarian dictator Horthy from the Axis, we accepted instead his agent, Tibor Eckhardt.

Lost opportunities lead to counter-revolutions. Every day that we fail to develop the present flimsy structure of the free Governments we make it more certain that the United Nations will fall apart. Every day that we fail to work with Russia we make it more likely that Russia will fall into a nationalist frame of mind, seeing the Polish-Czech-Yugoslav-Greek federation as nothing more than a *cordon sanitaire*, raised to block her influence in Europe, and demanding her own spheres of influence over the Balkans and the Baltic States. Every day that we fail to offer the free Governments leadership, we drive them toward the counter-revolutionary propaganda of aggressive nationalism.

These Governments in exile know that war is forcing great social changes in their nations that they have no means of experiencing. They know that it will be hard for them to return to rule peoples who for years have lived without them, suffering hunger and torture that they have not known. They understand that while the 400,000 fighters of the free Governments will be welcomed home, the monarchs and ministers will be lucky if they are allowed to return as private citizens. So they become preoccupied with their own return to power, and since they cannot share the experience of their peoples they seek other bonds to maintain their followings. One bond would be their newly won place in a United Nations world. But this bond has been denied to them. So they turn to the other great bond—the mystical bond of nationalism, and this is the stop on which many of them play.

There are narrow minds among the Allies and weary minds which assert that nationalism is the only great force in Europe, and that the cry of "Kick out the Huns, up with the old flag!" is the only cry that

stirs the European peoples. But these peoples are weary too—weary of the endless cycle of wars that a divided Europe perpetuates. Terrible as Nazism is, the cry "Il faut en finir!" may still have two meanings in Europe.

Because we are inactive in offering leadership it is often the Communists in Europe as well as in Russia who are doing the fighting and the dying. It is Russia, rather than the Allies, to which the European underground turns for inspiration. America is respected by the anti-Nazis within Europe as a wealthy country to which men emigrate, from which remittances return. Russia is respected as a poor country whose social system may solve many of Europe's needs. But the underground fighters of Europe, who draw inspiration from Russia, are earning no support from us. If, at the war's end, they rise to open leadership by virtue of their courage in wartime, we who have done so little for Europe may again in our ignorance march into Europe to bloodily suppress all popular movements.

By indirection we are placing ourselves on the side of the Kuhlmanns and the Hohenlohes, placing our greatness at the service of the most corrupt forces of the past. By such stupidity we are isolating ourselves from the peoples of Europe, who, once they become convinced that an Allied victory means the restoration of private monopoly, will lose their spirit of militant resistance. We are also preparing the way for a disaster in the future.

In 1919 we suppressed the internationally minded leaders of Europe. We laid down a red plush carpet for the sovereign monarchs and the aggressive nationalists to march back to power upon. Those national flag-wavers are now fighting beside the Nazis. Our punishment for that act of blindness has proved to be the death of many millions in this war. If we should be blind again to Europe's needs, what punishment will be ours to suffer in another twenty years?

PART FOUR

THE TIME IS NOW

" . . . To those who urge upon us the policy of tomorrow, and tomorrow, and tomorrow; to those who tell us, Wait, wait, wait; to those who advise us to pause, to consider, to reflect, to calculate, and to inquire, our answer is: No, this is not a time for deliberation, this is a time for action. The flood tide is upon us that leads to fortune; if we let it pass it may never recur again. If we let it pass, the voyage of our national life, bright as it is today, will be bound in shallows. We cannot wait, because time does not wait; we cannot wait because in these days of wonderful development, time lost is doubly lost; we cannot wait, because at this moment there is a transformation going on in the conditions of our national life which it would be folly to ignore and a crime to overlook. . . ."

SIR WILFRID LAURIER
House of Commons Debates, 1903

CHAPTER TEN

THE CRISIS OF THE WAR OF LIBERATION

The dogmas of a quiet past are inadequate to the stormy present. . . .
As our case is now, so we must think anew and act anew. We must disenthrall ourselves.

ABRAHAM LINCOLN

As the crisis of the Civil War was reached at the close of 1862, so we have reached now the crisis of this larger civil war; now the turning point must come towards liberation or enslavement.

Both for the Axis and for the United Nations this crisis has come. The Nazis have drained away their armies in Russia. They have used up the inventories of weapons that their earlier conquests yielded. They have extended themselves over enormous areas in which the maintenance of order must grow more difficult as the pressure of famine increases and their own garrisons are reduced. For the Nazis this crisis means that they must increase the production of the occupied areas, and that they must gain more support in these areas in order to increase the measure of indirect rule. The Nazis must try to introduce a character of liberation into their war.

The crisis has come also in our war.

The war of liberation has placed four great weapons at our side: the strength of a free people-in-arms; the mobilization of all peoples the world over who seek freedom; the organization of the peoples of Europe against their oppressors; the solidarity of world unity against the Axis. But these weapons have been too heavy for us to wield. We have not fought with our real strength on the home front; we have alienated the oppressed peoples of the world; we have failed to give leadership or aid to the peoples of Europe; we have raised the idea of world unity in the fighting concept of the United Nations, but we have never developed it.

These weapons are rusting beside us. If we cannot wield them then we will seek other weapons; they can only be the weapons of the war of enslavement, force, hatred, love of power. As the tension of war grows and we fail to meet its demands, groups arise within the democracies to demand stern action in the colonial countries, greater regimentation on the home front. Inevitably, if the civilian leaders of free peoples cannot provide adequate leadership, the history of this war will again bear witness to the tendency of all wars to close the gap in the social structures of warring societies as they face the same problems. We may even lose the war if we cannot handle the weapons of force and hatred with the determination of the Fascists; but whatever the outcome may be, there will be no victory.

The Nazis cannot resolve the crisis in their war of enslavement; but can we resolve the crisis in our war of liberation? If we cannot, then Fascism will have triumphed.

I. THE CRISIS IN OUR WAR EFFORTS

We came to this war paralysed by confusion and fear. In the course of this war we have accomplished a great deal in organization. Yet, measure for measure the Nazis have accomplished as much in their war of enslavement as we have in our war of liberation.

We have undertaken a widespread system of price control; we have placed ceilings on foodstuffs, clothing, rents, for the protection of our workers. But the Nazis did this five years ago.

We have undertaken to limit wartime profits. So have the Nazis. The Profit Stop which formed a part of the Nazi Price Stop Decree fixed the level of permitted profits and forced prices to be reduced

where excess profits were made. Dividends in Germany were limited to 5 per cent, when American and British firms were paying dividends of 40 and 50 per cent a year.

We have undertaken Government ownership and operation. So has the German Government. In Germany the State-owned and operated Hermann Goering Werke mines the greatest reserve of German low-grade iron ore, reaching out into chemicals, armaments and a score of other industries.

We have undertaken rationing as a measure of assuring a fair distribution of the civilian supplies that we possess, but the rationing system of Britain, let alone that of America, is no more comprehensive than the German system. We have undertaken welfare services in factories, canteens and health centres. But they are no more thorough than the services organized in Germany.

We have undertaken to enforce our war programmes by popular propaganda and community organization. So have the Nazis. There are the community organizations of the Nazis in the National-sozialistische Frauenschaft, the Deutsches Frauenwerk and many other groups.

What then is the difference between the Nazi war effort and our own?

The German war effort is directed and administered on the leadership principle. The Fuehrer of the German Egg Economy is responsible for Germany's supplies of eggs; the employer is the Fuehrer of his factory and a local Nazi the Fuehrer of the factory's labour front. Prices are enforced by the Preis-Kommisar and in his dictatorial system of control offices the right of appeal is seldom allowed. The rationing of foodstuffs is administered by the Reich Food Estate to which "honorary peasants" alone are appointed. Nowhere is the administration of the German war effort representative.

Yet how representative is the administration of our war effort?

The Germans allow no individual rights and civil liberties. The German courts of honour condemn a man to the guillotine (or let him go free according to the subjective mood of the German spirit). The German method of holding meat prices down, employed with particular relish in Poland, is to hang the offending butcher on one of his own meat hooks in his own front window. German newspapers contain each day reports of the execution of a factory owner in the Ruhr for stealing meat supplies from the factory cafeteria, or the

hanging of two elderly nurses in Augsburg for withholding food from the patients of a hospital.

All this is inhuman. But its ruthlessness may be effective. In contrast we are still not fully mobilizing our own spirit of initiative and self-discipline.

To win this war speedily, we have got to raise our war effort to a higher level than that of the Nazis. We have got to raise it by means of the weapons that are not available to the Nazis: the initiative of a free people, the free energy of youth, the support of all peoples the world over in the struggle for freedom.

Today we are not developing the initiative of our free people. From all corners of the democracies it has come; it has not been used.

In America there was the plan for industry-wide conversion of the automobile industry developed by the United Automobile Workers for the C.I.O. It was ignored.

There was the plan to raise the productivity of our copper mines, worked out in detail by the United Mine, Mill, and Smelter Workers. It went largely untouched.

There was the plan of the International Woodworkers of America to pool manpower resources and equipment in the Northwest. No use was made of it.

There was the plan of the United Electrical Workers for industry-wide conversion; the plan of the United Oil Workers for a concentration of production and a reorganized transportation system; there was the plan of the United Maritime Workers to pool dock gear and use small fighting boats as patrols. There were the further plans of the aluminium, steel, and rubber workers. Almost every one of these plans was discarded or ignored. So the initiative of the unions in raising production was discouraged.

In the same way, in Britain, the initiative of unions such as the Amalgamated Engineering Union to overhaul the structure of the regional and area boards, to widen the functions of the factory committees, and to reorganize production techniques has not been accepted.

There have been the further resources of energy in the communities, in the professional associations, in the factories, but they have not been expressed in action. If freedom is a condition in which ideas find expression in action, then we have not been free.

The results are disastrous. The sense of initiative dies in the people; they draw away from participation in the war, sensing that it is not

a part of their lives. Britain more than any democracy has advanced in popular participation in this war; yet of Britain Stephen Spender writes:

The fact is that although an immense amount of physical and mechanical energy is directed into the war the will of the people remains aloof. It's still "the bosses' war" and not their war. The ruling class waver, make mistakes, discredit themselves in the eyes of the ruled, but the ruled do not show any signs of wishing to step forward and take over. They wait, not so much for a lead, as for recognition of their intelligence, their will, and their interest.¹

So not enough is done.

The second great source of strength of a free people in wartime is the energy of its youth. We have brought young people forward in this war. In Britain young people flowed into Government from the universities; in America they moved into the war agencies from the New Deal. These young men have carried our war efforts forward. They led the expansion fight; they broke through on rationing and price control; they forced the issue on conversion; they were largely responsible for lifting the sights of our war programme. Our best agencies now, such as the O.P.A., are staffed largely by men and women under thirty-five and the few great executives that the war has produced in Government, such as Robert Nathan, are under thirty-two. We shall never know what we owe to these young people, for we have never recognized their full value. Today those whom we are not drafting as privates we are keeping under ineffective older men. This is true in Government; it is doubly true in industry.

And again, our failure to use these resources is reacting against us. The crisis in our war efforts is creating now a costly destructive divide between the young people and the old. The young men know they are fighting to atone for mistakes of which they were innocent. They feel that they have no representation in our democracy, and certainly they are right. They feel that in the Government men are wasting months when they are called to die in order to save minutes. They are suspicious about the intentions of the Government and their democracy—and they have every reason to be. At heart they are hungering for grand conceptions, without knowing what they may be. In the pre-

¹ *Common Sense*, September, 1942-

sence of their hunger the old who lost the last peace stand silently before them, unable to speak.

As the war continues and the best and bravest of the young men are lost, this conflict must deepen unless conscious redress is sought by society in giving youth leadership in something more than sacrifice.

We have failed utterly to use the third great source of strength that the world offers to those who wage a war of liberation—the support of freedom-loving peoples the world over. Almost all of the world is on our side in opposing Fascism. But we are unable to claim its support because we will not distinguish to a significant extent the difference between the social content of Fascism and our own world empires.

The Nazis have always made their absence of any moral consideration one of their weapons. They have no inhibition in double dealing and lying. But we are caught between two worlds. We are brought up to think in moral terms and we are forced to champion immoral acts of aggression and appeasement. We make morality our weapon against the Nazis, and then blunt the weapon by the systematic denial of morality at home and in the empires. We speak of fighting for freedom. And when the second largest nation of the United Nations seeks its freedom its leaders are described as “wicked” by a chief United Nations executive for India, the Secretary of the India Office, Mr. Leopold Amery! When the first act of aggression began that broke the collective peace structure, it was Amery who asserted, “Our whole policy in India, our whole policy in Egypt, stands condemned if we condemn Japan.” Today Amery’s obvious relish in suppressing Indian resistance in the name of Sir Stafford Cripps and the United Nations betrays a desire to use the war to break once and for all the Indian independence movement. So when we appeal to the world to recognize the morality of our cause the Nazis have a devastating reply. We speak of democracy; the German radio broadcasts to the Near East every day exposing our hypocrisy. We denounce the Nazi theory of racial superiority and ask the oppressed races to look to us for leadership.

In the mass meetings where Congress leaders denounce the British, Indian communist hecklers cry: “This is a people’s war!” In voices of murderous irony the leaders pause and ask, “Is it? Is it?”

Why are we unable to answer? Why cannot we resolve the conflicts that have arisen within our war effort? *Because we lack vision.*

The Russians have not lacked vision. In contrast to ourselves, they have always stressed the kind of spirit that leads men to fight and die, and the kind of organization that may sustain that spirit. Between the glorious defence of Stalingrad and our own ignominious inaction stands the greatest contrast of our entire war. We must understand the source of Russian strength.

"The Soviet glory," as Winston Churchill calls it, is a glory of the spirit. When Lord Beaverbrook left Moscow in 1941, Stalin told him:

You can produce arms; you are a manufacturing race. You will have a big output before long, too many arms perhaps in three or four years. But it is not enough to turn out arms from your factories. You must also sustain and develop the spirit which enables a people to bear arms.¹

The Russians have fought with this spirit. The Russian soldiers, guerrillas, workers, leaders, even the smallest Russian children, are moved by a spirit quite different from anything that drives us. They have the sense that they are working for a new civilization, for a world social order based on the welfare of the majority. The defence of that order as it has been begun in Russia moves them to extraordinary bravery and to an endurance in defeat beyond anything that America in its present spirit could have survived. In their war there is no thought of individual loss and no withholding of lives when losses are necessary. There is a hatred of the enemy, but it is altogether different from our indiscriminate attitude of alternate fear and contempt. It arises from education concerning the origins, the sources of strength, and the historical significance of Fascism that we have never dared to undertake. In the truest sense of the Ironsides of revolutionary England the Russian soldiers know what they fight for and love what they know.

In contrast we have lacked any vision of the future. We have had no sense of the finality of defeat, or of the opportunities of victory. So we lack the glory.

The Soviet glory is also a triumph in social organization. Behind the victorious battle fronts in Russia lies the triumph of a clear flow of will from the central executive to the tiniest factory. Once a decision is made all the forces in the situation are brought to bear at once upon its execution. There are no problems in Russia of plant expansion, of

¹ Lord Beaverbrook, *The Listener*, October 16, 1941, p. 520.

conversion, of concentration that are more than administrative details, because there is no will save the national will to mobilize fully. There are no delays caused by the desire to profit, the haggling over costs, the tension of employer and worker, the fear of the future, because there is no private interest that can be placed against the general interest. There is no mass of unco-ordinated overlapping controls of prices, wages, inventories, priorities, because all are subject to one overall control. The Russians were able to evacuate 800,000 workers and their families from Kharkov and Kiev; to transport them and their factories 2,000 miles to the Urals; to provide new homes for them and put them to work within twelve days of their arrival because no barriers of vested interests, of newspaper cynicism stood in the way of the task which had to be undertaken. The experience of the Russian Government in national administration had freed it from all the thousands of unconscious inhibitions that placed rigid limits upon the minds of Government officials in Britain and America in organizing action on the scale demanded by war.

In contrast, our present social structure is designed to prevent initiative over great parts of our society.

In America and in England, firms that were about to go bankrupt through inefficiency were revived through arms orders; firms that were incompetently run increased fivefold in size through Government contracts. Long ago we should have moved in on these firms, put in new men or Government managers; long ago we should have ordered recalcitrant managers to work with employees in raising output and improving production techniques. We have not done these things.

The second great area of action in wartime is Government. Again Government is often an area which is banned from new energy. In part the barrier is the specialization which Government demands now; but it is also uncertainty and division within our people. For given this division, labour and industry are still reluctant to send men into Government as *individuals* to become anonymous officials; they must go as *representatives* of their group, to fight for their group interest or not at all. Because new men must be recruited for Government from these groups, a great deal of the Government's energy is spent in battles within itself.

The third great area of action in wartime is the army. Again, the army demands specialized ability that new energy cannot easily supply;

yet the new energy that exists in our armed forces is not fully used because the strategy of these forces has never been fundamentally altered from the outdated traditions learned by older men. In general, young men are to be feared, in Government, in industry, and in the army, by those whose purpose is to struggle through war with as much of the past as possible, for young men are notoriously intolerant of outworn traditions.

Our inability to resolve the conflict of our war in Asia derives also from a lack of vision concerning the weakness of our social structures. At heart, the backwardness of Leopold Amery and the inhibitions of the Labour Party are simply reflections of the weakness of this structure and of our inability to take action on the world scale that is necessary.

So long as Britain is fighting for empire, Amery is the correct Government executive and the attitude of the Labour Party is the correct attitude of a loyal opposition. And, of course, Britain must fight for the Empire, for in the absence of a larger settlement, the retention of the Empire is a matter of life and death for her.

Even in 1936-1938, before the demands of rearmament became heavy, Britain's excess of imports over exports was £300,000,000 a year. Most of this excess Britain financed by her income from investments of £200,000,000 a year. In part, this income represented a normal yield on capital invested under competitive conditions. In part, this return and a share of Britain's exports arose from exploitation of her Empire. In particular it arose from the sale of Malayan rubber and tin, which was mined at great profit by the British companies and licensed for export in its raw form only to Britain.

In the post-war world Britain, even should she regain all of her Empire, faces a serious loss in overseas income.¹ If on top of this loss Britain should face the repayment of the sterling balances of the Empire in London and the further repayment of a possible \$6,000,000,000 on lend-lease account, the abandonment of the Empire would utterly disorganize Britain's economy.

So a part of the responsibility for British intransigence towards the Empire falls upon us. We have broadly hinted that there will be no repayment of lend-lease account, but in the absence of a far more definite declaration the continuance of lend-lease accounting is ample

¹ On the hypothesis of free exchange and a national income in the United States of \$100,000,000,000 a year.—National Planning Association, *Britain's Trade in the Post-War World*, 1941, p. 15.

reason for the maintenance in Britain of economic nationalism and Empire consciousness.

The readjustments that are necessary are not beyond our scope. But we are not facing them. Often in times of revolutionary change the barriers to action cease to be existing economic and institutional forces and become the structure of outworn ideas which these forces set in motion and are powerless at any given moment to halt. The deep-laid problems of the structures of free enterprise and empire are barriers to the emergence from his conflict of a people's war. Beyond these barriers lie the boundaries to necessary action set by outworn ideas. They must be battered down by new ideas that represent the new conditions created by war. But these ideas are only beginning to form themselves in our minds. Meanwhile we are still failing.

II. THE CRISIS OF THE WAR IN ASIA

Because of the weakness in our social structures we have fought a war of enslavement among the peoples whom we have oppressed. Because they seek their own liberation the crisis of the war has come for these peoples. It has come most sharply in Asia.

This crisis is maturing in South-east Asia, where, in the absence of United Nations counter-propaganda, the propaganda of the Japanese is gaining. The peoples of Thailand, of Malaya, of Burma, and of the Netherlands East Indies are hostile to Western imperialism and they are hostile both to China and the Chinese who have come to their countries as shopkeepers and money-lenders. Unless we give proof to these peoples that we are fighting for their future as well as our own we may soon be shocked to find that they will be mobilized in arms against us.

This world crisis is maturing in India. Factories are idle, the people are in revolt; far more important, a steady transformation is taking place in the nature of the Indian nationalist movement. With each new act of suppression the leadership of the Congress is passing from men who believe in world unity and the war, to men who refuse to admit that the future of India is in any way dependent upon the victory of the United Nations. These men despise England with a pathological hatred; they fear and scorn the United States; they abominate Russia, and they are jealous of China. To them,

India is to be a new imperialist power dominating the Middle East and South-west Asia. Led by merchants and industrialists, this group is undermining the resistance of the Indian peoples to Japan. Against this group is pitched the leadership of the National Peasant League and the other parties which are organizing emergency mobilization units in every village. But these militant leaders are discouraged by the Allies, and every new act of enslavement in India serves to strengthen the Indian appeasers. Within a few months the Indian nationalist movement may become as warped and bitter and useless to the world as Irish nationalism is today. Yet the appalling policy of the India Office is to encourage this transformation. We are playing directly into the hands of the most dangerous type of reaction in India.

This world crisis is maturing in China, where the transformation that is taking place in the Indian nationalist movement is in danger of being repeated on a far greater and more costly scale.

If we blind ourselves to the dangers within China, we and China will suffer in the end. Never has the will of the Chinese people to resist been greater than now, and never has it been so frustrated. There has been no major fighting in China since the fall of Hankow in 1939. There have been, certainly, advances and retreats. Often the Japanese army has embarked on a grain-raiding campaign into areas which, since it lacks sufficient forces to garrison, it has no desire to hold. It advances at harvest time to strip the areas bare and we learn of a Japanese offensive; it returns loaded up with grain and we learn that the Chinese have counter-attacked and that the enemy is retreating in disorder. The main trouble is of course a lack of heavy arms; but if the Combined Chiefs of Staff should argue that the Chinese will not use weapons that they are sent then there is some truth in what they say. The Japanese forces in China have been reduced to one-third of their size in 1939; yet at the moment when an offensive is most desperately needed, the Chinese armies are immobilized.

One reason for China's present inaction is inflation. In America the cost of living has risen 15 per cent since August, 1939; in China it has risen by 600 per cent since 1937. The result is disorganization and famine throughout China which the central Government has been unable to counteract. From China Edgar Snow writes: "The monster of inflation is growing ever larger on the horizon of a war-tired but almost undefeatable people. . . . It is a race against time whether

the collapse of the Chinese dollar can be postponed until after the defeat of Japan."¹

A deeper reason for China's inaction is the growing cleavage within China itself; between the landlords and the peasants, between the Kuomintang and liberal China. This development is apparent in the suppression by the right wing of the Kuomintang of independent forces of resistance in China.

The cleavage within China is altogether disastrous for China and for the war. It means that at the moment when a Chinese offensive is most needed a million Chinese troops are engaged in civil war. In the Shensi-Kansu area 500,000 Red soldiers are besieged by 500,000 of the best-trained, best-equipped Kuomintang troops.² When the Red troops filter through the blockade that surrounds them, and pass down towards the Japanese lines for guerrilla warfare, they are often captured and killed by Kuomintang troops. Guerrilla warfare, which should be China's greatest contribution, is disorganized by this civil war. Often in areas which are neither Japanese- nor Chinese-held officers on both sides have maintained a tacit understanding concerning the undesirable nature of the guerrillas with their agitation and threat of social reform.

This conflict in China is in part inevitable in any country striving towards democracy. In part it is the result of the forcing tactics of the Chinese Communist movement. But historically, the Western democracies are also responsible for this conflict. In the years before 1939 we abandoned China entirely to Japan, starving China of supplies, feeding the nation that was destroying her. In contrast, German officers trained the Chinese army, and German organizers made certain that a price was exacted, in political influence, for their aid. Democracy in China remained dependent upon Western democracy in those years; it drew some inspiration from the militant spirit of the New Deal, indifferent as the New Deal was to China's cause; but what inspiration could it draw from democracy in Britain? We have begun to learn our mistakes, and during this war we have crept towards the support of democracy in China, but as to the future of Asia we have remained in utter silence. *It is our silence now that is driving China towards imperialism and totalitarianism, simply in self-protection against the totalitarian imperialism that we represent in Asia.*

¹ "What We Can Expect from China," *Saturday Evening Post*, August 8, 1942, p. 19.

² *Saturday Evening Post*, loc. cit., p. 67.

This is the crisis of the war in Asia; it is induced by our inaction, and only the joint action of Britain, America, and Russia can resolve it. China after all is weary. She has been at war two years longer than Britain, four years longer than America. Her weariness cries out for our encouragement and support. If we fail to extend this help, then the nature of the entire war will change, and we too will be faced with an immense task—the responsibility is ours.

III. THE CRISIS OF THE WAR IN EUROPE

Ever since this war began the peoples of Europe have searched for a lasting purpose in it that bore meaning for them. In the phase of the Battle of France the war was robbed of all positive purpose by the nature of allied leadership. In the second phase of the war, Britain had only one message for the peoples of Europe: We shall go on fighting and one day we shall win.

When Russia and America entered the war the peoples of Europe saw the greatest chance for the transformation of the war into a war of liberation. But nothing was done. For the sake of allied solidarity Moscow modified its revolutionary propaganda; we offered nothing in return. Our one compensation for weakness in purpose might have been strength in action. But we failed in action through the tortuous months of 1942. By September 27, 1942, the *New York Times* reported from Washington:

The disappointment caused by the delayed second front, of which the Nazi propagandists have taken full advantage, is not confined to Russia but extends throughout Europe . . . some here fear that desperate Europeans may be tempted this winter to abandon resistance and collaborate with the Nazis . . . or, wearying of waiting . . . suffering Europeans may rise in revolt which at this stage can only lead to massacre.

The old basis for our propaganda in Europe is finished. We have rebroadcast a thousand times the little morsels of thought that have come from leaders in Britain and America and they have ceased to yield any nourishment whatever.

This crisis is a crisis for all of Europe, and for the European underground. We have never given aid to the underground as a political force. In the first months of 1942 we refused to make any commit-

ments to underground leaders concerning the futures of the free governments which they often feared. We refused to recognize them as representatives of the European peoples in the event of a German defeat. In turn the underground refused to work with the Allies. Now we are moving towards a fuller recognition of the underground. But as usual there is great resistance to this departure within Britain and America and we are moving too slowly. And as we are advancing, Europe is falling back in the spirit of resistance from sheer lack of food and clothing, Europe's will to be reborn is being steadily weakened.

Europe has resisted for the sake of Russia rather than for us. Now Russia has been driven back and gravely weakened. Europe knows this: it knows that if the Nazis are able to transfer their armies back to the Western front, then the utter devastation of Europe in huge battles will be the price of victory.

Again, the crisis in our war has come. Unless we fully recognize the European underground, and give to the peoples of Europe something to risk their lives for, then we may lose Europe, not to the Nazis, but to our own blindness.

IV. THE CRISIS OF THE UNITED NATIONS

The United Nations has always been the most promising and the most revealing aspect of our war. It has combined our best beginnings and our most empty rhetoric.

The United Nations was born in the crucial month of December, 1941, when the German armies were driving against Moscow and Moscow was holding fast; it grew in the golden months when the Red army counterattacked in the spring and the Japanese drive lost its momentum. Then the golden months passed to silver months as the German offensive started, and the silver months to months of bitter agony in the early autumn when Sevastopol fell and the Caucasus was broken open, and the Reichswehr rushed forward towards Stalingrad and Baku. We blew hot and cold, promising action, hinting that nothing could be done, keeping Russia going with assurances and missions and making and remaking our own planes. All the time the Red army was being torn apart and the armies of the Allies were standing twenty miles from Europe. In September the Russians broke into angry complaints that they had been totally neglected as an ally, and ignored in our councils.

In these months the United Nations wilted. What possible justification for the existence of the United Nations was there other than the expression of the united will and action of Russia, Britain, China and the United States? Without this united will, in a unified command, the United Nations could be nothing more than an Anglo-American appendage; a string of free governments and satellite states tied to our kite.

In 1942, the United Nations represented in a sense a revolutionary force; for it was the same conflict of past and future that held it back; and only a revolutionary change in Anglo-American military strategy could have brought the United Nations into existence as a real power. In those months Soviet military strategy was a new strategy, based on the dispersal and wearing down of the German army in constant action. Our strategy early in 1942 was essentially the German strategy of long preparation, followed by concentrated, mass offensives when and not before overwhelming superiority in arms was held by us.

This strategy was demonstrated in the first great military plan of joint operations that we prepared in this war. It was prepared by the British and American General Staffs in London in August, 1941. It could not, of course, prepare for swift action by Britain and America since America was still a non-belligerent. Yet it was indicative of the mould in which our military thought was cast, that the date of the Allied offensive was set for one month after the time, in June, 1943, when, the plan estimated, Russian resistance would completely collapse. This was no reflection of an anti-Soviet bias; it was simply the application of the traditional German conception of warfare.

This strategy was of course precisely what the Nazis most desired. It enabled them to concentrate all of their forces against the Red army in the crucial year of 1942. The Nazis in fact let out a steady stream of rumours concerning their own weaknesses in order that the plan might be kept unchanged.

But quite apart from the timing of this plan, the strategy itself was so far from Soviet military strategy that there was no basis for a unified strategy until one or the other was changed. The Russian strategy was designed to spread the German troops thinly in order to minimize the value of their rigid mechanical discipline, and to make the most of their lack of initiative. Our strategy fitted perfectly the Nazi type of warfare in which, in a "Keil" offensive, men are driven like machines against a concentrated objective. In addition our strategy

made it more difficult for the underground in Europe to work for the United Nations since the end was to be the devastation of Europe in mass, pitched battles on European soil. It is clear that we have not seen the underground as a major weapon. Somewhere in our strategy, the fear of an uncontrollable European revolution against the Nazis may lie.

We made great efforts to change our strategy in 1942; but they were insufficient efforts. We were not wholly honest with the Russians. We never worked out our strategy in common with them. When they were fighting without regard for losses we were withholding troops and weapons.

As a diversion a second-front offensive in 1942 would have been useless if less than thirty divisions had participated in the attack. To bring this force into action in 1942 would certainly have been difficult, yet it is hard to believe it would have been impossible. Had the President and the Prime Minister thought in terms of a true world strategy in their conference of December, 1941, it must have been clear that the one great strategic task of 1942 was the relief of the Red army. Had we then concentrated our war efforts on the production of an assault force, we could surely have undertaken some offensive action. Yet our objectives remain confused. They were principally to hold the threatened outposts of empire which in 1942 were almost indefensible. At the critical moment, when Red Army soldiers were strapping grenades to their bodies and hurling themselves as live bombs beneath the oncoming German tanks, our planned offensive was upset by the surrender of the garrison at Tobruk. The surrender of the garrison opened up to a small Axis force the enormous prize of the decaying imperial structure of the Middle East. When the Axis forces were twenty-five miles within the Egyptian frontier, Egypt was still at peace with Germany. Only by a major transfer of arms were we able to hold this front.

Beyond this contradiction between the defence of empire and the relief of Russia lay the further contradiction between Russia's strategy and our own. All of Russia's strategy was based on the correct assumption that 1942 was the crucial year of the war. Britain's strategy was based on the assumption that perhaps 1943 was critical. The American army staff assumed that 1944 or 1945 was crucial. During 1942 when United Nations armies in the field were desperately in need of weapons we raised the size of our proposed armed force to 13,000,000 soldiers.

This force could not possibly have fought before 1945. To arm and equip this force and to transport and feed it would have left no equipment for our allies in these years. The conclusion drawn by the Chinese, Russians, and the British was inescapable: it was that in 1942 we were ready to see Russia, China, and Britain go down while we were preparing to fight our own kind of war, that we were acting on the assumption that when the Axis had been weakened by the efforts of these nations, America would emerge as the greatest, almost the only, armed force in the world. For the peoples of the United Nations this seemed to be a most selfish and blind betrayal of world democracy.

Our utter inability to come to the aid of the Russians when they were saving us was so terrible that it is hard to see now how we shall ever regain their confidence. It is clear that unless Britain, America, and Russia come together now in a unified command based on a common strategy, the United Nations may fall completely apart. We may continue to fight separate wars but they will be costly, disastrous wars and at best they will lead to another stillborn peace. Above all things it is vital that our armies should abandon their national prides and prejudices and work with the one army that has fought the Fascists. *If in these months the United States does not advance to an altogether new basis of unity and executive force, then even our rhetoric will curdle; the present basis for world unity will be altogether destroyed.*

V. THE CRISIS OF THE WAR OF LIBERATION

The needs of war are met in a war of enslavement. And the needs of war are met in a war of liberation. Through the emancipation of a people may come the emancipation of war with far greater force than it may come through their enslavement. But a war which attempts at one time to be both a war of enslavement and a war of liberation is intolerable.

War gave us a time in which to work out the contradiction in our fight, to develop our new forces of freedom. But now that time is drawing to a close. If the social order of democracy cannot adapt itself to the needs of war, then the magnetic force of war, which is based on the strongest social dynamic, will cease to pull the nations oppressed by Fascism in the direction of a democratic revolution and will pull democracy towards a military order instead.

This crisis in the war is producing a great divide within the United Nations.

Slowly, within Britain and America the forces of liberation are coming together. These forces are still unorganized, undisciplined, incoherent. They are barely forces at all, but rather a kind of ferment that flows restlessly over our societies, unable to solidify and take hold. Within this ferment there are the labour unions, which realize that labour alone is powerless; there are new and unorganized war workers; there are the middle classes radicalized by the war, and the new class of writers, managers, and technicians, who are exasperated by inaction but who belong to no group. A great part of this movement has experienced trade union domination of a labour party. Another part has been completely thwarted in the normal forms of political expression through party machines. The ability of the entire group to seek redress for poor leadership is frustrated by the absence of elections in Britain and the enormous, self-imposed gulf in America between Congress and the war effort. Yet here and in Britain the movement lacks also other means of redress through our limited social structure, for in general it is opposed to organized pressure groups. What this movement gains in popular following in Britain, it lacks in executive ability which may be placed in Government, since the opposition has almost never held political power. What the same movement possesses in executive ability in America, in the driving force of the New Deal, it lacks in our appalling over-emphasis on individualism and the lack of concern of our labour movement with anything more than its own most immediate self-interest. *But above all this movement is unable to break through because it has not yet seen itself as a world movement.* Not only in America and Britain but also in China, in Europe and in the nations of the British Commonwealth this movement exists; yet nowhere does it gain from its universal nature. A limiting factor in this movement in America is the inability of its counterpart in Britain to achieve Empire reform. A limiting factor in this movement in Britain is the complete absence of knowledge concerning the extent to which America will accept her new responsibilities in a future in which empires no longer exist. The limiting factor in this movement in Europe and China is the alliance which America and Britain have made with reaction against the progressive vanguards of the people. *Until we see our movement as one world movement of the United Nations and reinforce each other we shall nowhere succeed.*

Against this growing ferment are the highly organized forces of reaction in our nations. The programme of these forces for regressive taxation, for the conscription of labour, for repression of movements of liberation in the empires, for the elimination of progressive forces from government, and for greater military control is well defined. As we continue to lose more through ineffective self-discipline than we gain through the mobilization of our potential resources of freedom, this movement of reaction gains in influence.

We should be insane if we did not recognize that the war aims for which we are fighting change with each shift in power. The increasing influence of our War and Navy departments over our war effort is itself a threat for the future. While we have been talking about a federation of Europe, talking about the democratization of Asia, talking about the internationalization of the colonies, our War and Navy departments have been preparing for the future of these regions. Our army is preparing now to occupy Europe, and if its *Basic Field Manual on Military Government* is any guide, its policy will be to restore the economic and social structure of 1935. Our Navy is preparing to occupy recaptured lands in the Pacific and many of the men whom it is choosing as executive assistants for its governors are former employees of the Standard Oil Company.

The immediate aims of reaction are to bind our nation tightly in wartime, and at the end of the war, to rip out the wartime controls, in the casual hope that the lungs of private enterprise, which now are wheezing, will once more begin to roar. In Britain there is a powerful movement which is preparing to restore imperialism. In China a reactionary movement exists. But the centre of this movement of reaction is, of course, the United States. Without reaction in the United States, reaction in Britain, in Europe, in China, is disarmed.

If we fail now to break through with our war of liberation, then we shall alienate and isolate Russia. We shall alienate and lose Asia. We shall alienate and neutralize Europe, and we shall destroy the genius of our own freedom.

CHAPTER ELEVEN

THE TIME IS NOW

I

OUR time is now; time may never be ours again. Now war is demanding great actions of us in moral courage as well as courage in battle. Now when we stand in arms with the world's great peoples, when danger demands clarity of purpose, and death demands justification in ending gain, we must find our invincible ideas.

The time is now. First, we must raise the level of the prosecution of our war effort.

We have been held back because a great part of our strength has been spent in fighting those who in Britain and America are working to prevent the birth of our new society which alone can win this war. We have developed new techniques, new sources of potential strength. We must now turn our potential strength into actual strength. We must make our war a people's war.

The British people are now struggling to gain recognition of the principle that in industry, in government and in the armed forces ability alone will be the determinant of leadership, and the barriers of class and formal education will be broken down in order that the new forces of energy in Britain may win the war.

In America we can assert the nature of our problem.

We must now see our industrial resources as a whole and organize them as a whole. We must complete an inventory of our industrial resources. We must undertake ruthless industry-wide action in pooling, in inventory control, in conversion, in subcontracting and allocation, in concentration and the development of standards. We must move from the disorder of a partially planned effort in which each sector moves ahead with uneven speed to a fully planned effort in which the flow of all phases of production is scheduled and so is in proper relation to the total effort. The Government must intervene in a supervisory capacity to demand the best management of inventories, of labour relations, of techniques of production. Where supervision is insufficient, as it is insufficient in transportation, the Government must move in and take over. We must now destroy our fear of effective Government action.

We must now see our civilian war effort as a whole in which all civilians have a right to scientifically established minimum standards, families have a right to family allowances, and no one has a right to more until these provisions have been met. It is intolerable that price control should be sabotaged by the absence of rationing, and it is intolerable that extreme inequalities of wealth should continue when workers are compelled to accept heavy sacrifices. The strength of all nations is derived from a sense of just treatment and equal sacrifice; and we cannot be strong until by a system of widespread rationing, by rigid limits on incomes, and by forced bond sales without interest, we achieve the equalitarian society that war demands. We must now destroy our fear of this new society.

We must see our entire war effort as part of the total effort of the United Nations. We must build the training, the tactics, the types of weapons of our army, into those of the world army of which it forms a part. We must establish a clear line of executive will from the joint boards through national war agencies whose structural patterns, at least in America and the British Commonwealth, are organized in relation to each other. We need to establish without delay in America a central direction to our war effort, in which each phase of the war effort is brought into constant re-examination in accordance with the changing strategy, and in which also it is finally understood that the job of the soldiers is to fight and the job of the civilians is to produce.

In three years of war we have begun to move upon these changes. To achieve them now we must gather together all our resources of leadership.

We must fully develop the kind of community leadership that has been developed in some cities, the kind of industrial leadership that the unions and a few industrial executives have shown, the kind of farm leadership that is beginning to challenge the farm profiteers.

We must give to this new leadership a chance of expression. We must open to it all the areas in local government, in industry, in the local farm committees, that are still closed to it. We must now achieve a clear flow between this leadership and the leadership of the Government.

II

Now we must combine our separate war efforts into one united effort. Now from our loose and chaotic councils must rise a single new force—the force of the United Nations.

The United Nations must have one will of its own. We must now undertake to agree upon one military strategy. On the basis of this strategy we must now establish a Supreme Council of the United Nations. On it we must place the United States, the United Kingdom, Russia, and China. Beneath it we must establish regional councils for the Pacific, the Americas, Europe, Russia, India and the Middle East. We must give to these councils the power of decision that freedom of action demands.

The United Nations must have a mind of its own. We must now create a combined chiefs of staff group on which the general staffs of the Supreme Council are represented. The group must have its own joint planning, joint Intelligence and joint allocations branches in which the knowledge, the experience, and the ability of all are combined. Under the group must be the unified commands of the theatres of war for the United Nations, so that from our divided forces we shall bring one world army.

The United Nations must have a body of its own. We must now create from the joint boards the body of the United Nations, first by making the joint boards fully representative, then by transferring to them real executive power.

We must now transfer to the Munitions Assignments Board a great part of the staff and functions of the national administrations of Britain and America that are engaged directly on United Nations work. We need to make the Combined Production and Resources Board the central directing force of our united war effort. We need to transfer to the Combined Raw Materials Board and the Combined Food Board similar powers. We need to make the Combined Shipping Adjustment Board a United Nations Shipping Administration that operates our world pool of ships. Beneath the central boards, beside each national structure, the regional and local structures of the joint boards must be extended. Only in this way can we achieve full wartime efficiency.

III

When we have earned the right to claim the future, then we must claim it as the only means of gathering to our cause the support of all peoples, which we need to win this war. If this is a war of liberation, then this war must be a time of liberation. It may come as a sorry succession of compromises too late to avert disaster, too mean to provide anything but a sense of frustration in the wronged countries and of humiliation in democratic peoples. It must come rather in the form of a generous settlement, a decisive series of acts in which the slow-piling forces of centuries are broken up and rearranged in what Cromwell's soldiers described as "a general amendment in the affairs of men."

By wasted lives and unnecessary sacrifice it is conceivable that we may win this war without great change. But if we win and leave the slightest freedom in the world, the tide's change must come sooner or later to wash away our sand castles of resistance. The only issue is whether we face now the necessity of change and save hundreds of thousands of young lives, or whether we deny change and so risk total, final defeat.

The time that life is demanding for change is war. The time in this war is now. By now the actions of the only period of advance in this war, in the autumn and early winter of 1941, when the Atlantic Charter was signed and the United Nations was formed, have run their course and are entirely spent in the good that they can do. The world has grown far beyond the Charter; the United Nations needs new nourishment in order to live.

The general amendment that the world demands of us falls in five parts: the proclamation of moral principles of universal application; the application of these principles in great acts of liberation; the recognition and settlement of the adjustment that follow these acts; the provision for their enforcement, and finally the setting in motion of the mechanism of continuing progress. All of these are part of a single undertaking, and none are significant without the enactment of all. Principles that remain barren are haunting mockeries. Acts that flow from principles however fine are stunted unless adjustments are made that permit their growth. Yet even where this provision follows, acts of liberation that lack the ultimate sanction of force are phantoms.

Lastly, no degree of force can prevent their withering unless they are nourished in constant progress.

Now we must clearly state the principles for which we are fighting in terms far more explicit than the Atlantic Charter.

We need now a world charter that guarantees for all peoples the basic political rights expressed in our own Bill of Rights; the basic economic and social rights of the affirmative state; the basic collective rights of free association, of full national representation, and of full equality among all peoples; the basic right of all peoples to freedom from exploitation and to full national development. This world charter we need to supplement by a series of regional charters in which detailed expressions of these rights are guaranteed by all of the United Nations in terms of local conditions. Britain is already moving toward her charter. China has such a charter in her three principles; we need to endorse this charter and extend it over Asia and Africa. We need now a charter for America in which new rights are guaranteed to all citizens.

Just as we must give to all peoples the tremendous purpose in joining a world organization that the charters provide, we must also undertake acts leading toward the independence of unfree peoples without which principles become hollow.

Now we must bring to India equal status within the United Nations. In this war of the United Nations India ceases to be the fief and concern of Britain alone. India is the wall, strong or crumbling, that holds our world front together and the world fronts of the Axis apart. India's well-being is the vital concern of Russia, China, America, and of all peoples who are working for a United Nations victory. We must now aid Britain in giving to India a joint guarantee of her defence. We must now aid the Indian people in establishing in India a National Government in place of the Viceroy's Council, led by an Indian Prime Minister and responsible only to a temporary Governor-General and a Commander-in-Chief of the United Nations. We need to recognize at once the full authority of this Government over defence and to bring it at once into the machinery of the United Nations.

Britain, Russia, and America must now sign a treaty with China in which all claims to commercial property in China are transferred, full equality is guaranteed to the Chinese peoples, and any restoration of Western imperialism in Asia is prohibited in the most specific terms. These three nations must together offer to China their services in

attempting to end the disastrous war between the Kuomintang and the Kunchangtang.

In joint declarations Belgium, Holland, Britain, and America must renounce their claims of exclusive domination over the dependent countries lost to the Axis. We must now jointly agree that no foreign exploitation will be permitted in Asia, that no restoration of Western rule will be sanctioned, and that no rule by European or American minorities which have remained in Asiatic countries will be recognized. We must now assert that only administrations which are representative of the United Nations will be permitted to participate in the governments of these countries. For the colonial possessions which remain under Allied control, we must undertake equally strong guarantees. We may recognize the ability of colonial reformers in bringing countries toward independence. But independence is no longer our aim. Our aim now is to bring these peoples, on an equal basis, into the society of the United Nations. Only administrations which represent the United Nations can undertake this task. We need now to prepare the initial steps in this transfer of authority, in the revision of all mandates, the redefinition of local government, the redirection of colonial education, and the establishment for Africa of a definite time limit upon the dependent status of local and federal governments where qualifications in terms of "fitness for self-government" are held at an absolute minimum.

The time is now. Russia, Britain, and America must now conclude agreements with the governments-in-exile and the European underground that clarify the future of Europe. These treaties must on the one hand include limiting powers upon the rights of the governments-in-exile, and on the other, limits on the rights of Russia, Britain, and America to intervene in Europe. The guarantees in these treaties must include these assurances:

That the United Nations will recognize within the limits of their principles the claims to leadership of the popular forces that arise in Europe to overthrow Fascism;

That the United Nations will make no attempt to rest on the political, the legal, the social, the religious, and the economic structures of pre-war Europe except where the majority of the people clearly seek their restoration;

That the United Nations will provide to the full extent of its powers for the rehabilitation and reconstruction of Europe; that this under-

taking will be administered by a staff of representative Europeans, drawn from the free governments and other sources; and that no attempt will be made to use relief and reconstruction measures as instruments of policy in conflict with the popular freely expressed ambitions of civil populations, where these do not clash with the interests of other peoples or of Europe as a whole;

That except where specific exception is made the United Nations will recognize provisionally the European boundaries of 1933; not because these boundaries were just, but as a means of denying the general significance of boundaries. Boundaries which are recognized will not possess their former significance as enclosures of sovereign independent action;

That the rehabilitation and reconstruction of Europe will be administered in accordance with the needs of Europe as a whole. Economic necessity rather than political considerations will form the guiding principles of the administrative subdivisions of a European federation; the political structures of nations will be fully recognized and full national representation will be granted in the federal structure. Nowhere will previous contracts concerning property that conflict with the welfare of Europe as a whole, be recognized in the courts of the United Nations;

That nowhere in Europe will the right of secession be recognized by the federation so long as the federation itself adheres to the principles of the United Nations;

That nowhere in Europe will the United Nations permit Fascism to regain power.

It must be clear that none of the treaties constitute recognition of the right of any free governments to return to authority over their peoples without a free election.

By joint action the United Nations must recognize a free Italian Government and a free Hungarian Government. The Governments of Russia, Britain, and America must conclude with the free Italian and Hungarian Governments provisional agreements assuring their peoples that only recognized Fascists and Fascist collaborators will be punished; and that, when the social changes required to abolish the roots of Fascism in these nations have been brought about by the people of these nations, and democratic governments have been established in them, they will be admitted on a basis of full equality to a European federation of the United Nations. With Finland, Rumania, Bulgaria, and Austria there are not yet free movements with whom

we can conclude similar agreements. Yet in some form we must make joint commitments to the peoples of these countries.

The United Nations as a whole must now conclude statements of aims to be carried to the peoples of Germany and Japan. These statements must assert:

That we are fighting Germany and Japan in order that one day they may become members of the United Nations, which now they are trying to destroy;

That in the world of the United Nations dictatorship, militarism, Fascist ideology, racial hatred, national exploitation, and national chauvinism will not be tolerated, either within the world organization or in any nation outlawed from it;

That none of the territories gained by Fascist Germany or Imperial Japan will under any circumstances remain in or be allowed to return to German or Japanese control;

That none of the mainsprings of Fascist power, the army, the State hierarchy, the private ownership of heavy industry, and the feudal ownership of land, will be left standing in the event of a United Nations victory;

That the Fascist leaders will be punished for their crimes against humanity.

To this we need to add these assurances:

That the United Nations will distinguish between members of the Fascist Party and active Fascist collaborators and people who can prove that they have opposed Fascist government:

That the United Nations will not prolong the blockade beyond the Armistice and will make no distinction as between Europeans in providing for relief needs;

That we shall exact no reparations from the Axis as a means of paying the costs of the war;

That there may be relief administration of the Axis countries in the immediate post-war years just as there may be some relief administration of all Europe, but it will be by the administrative staff of the United Nations;

That the administrative staff of this world organization will include Germans and Japanese, and that where leadership arises in these countries to overthrow Fascist aggression and demonstrate without qualification an acceptance of United Nations principles, this leadership will be welcomed.

These must be our commitments to the Axis peoples. Their faith in our commitments will depend on our energy in carrying out promises which today can be fulfilled.

IV

This general settlement is demanded of us by war; it is not of course a single act to be accomplished in the course of one day; but it must be a series of acts related in such a way that the value of each to the war is minimized, and the peoples of all countries are able to grasp the nature of the whole pattern, which now, as in all times of change, is far greater than its parts.

Yet the resistance to these acts is tremendous; it is so great that unless the barriers to action which can be removed are removed, all hope of action is meagre.

The greatest of all barriers to this great advance is the heavy cost it involves for the allied nations which in the past have lived by privilege. It is impossible for us to fight oppression when we are oppressing others; to assert that our cause is freedom when we are denying freedom. War demands of us that the deep conflict of imperialism and freedom be resolved.

If this war is a war of the United Nations, then no nation can withhold its resources or make this war a time of its own material gain. Whatever we accomplish in arms, we can never approach the debt of the world to Russia and to Britain. We must now acknowledge this debt. We must now end all equivocation and declare that between comrades-in-arms, lending and leasing weapons has no more place than buying and selling lives. We need now to declare finally that there shall be no repayment on lend-lease, no payment of any kind for the contribution of one nation to the United States. Then the British Commonwealth countries can make similar declarations. Only in the case of wretched and oppressed areas such as the West Indies, the Belgian Congo, and other parts of Africa have we no right to ask the peoples of these countries to contribute to the war; for we have given them nothing to fight for and they owe us nothing.

Yet this in itself is by no means enough. The Belgian, the French, and the Dutch Governments are accumulating no debts on lend-lease. The British Government still faces an insurmountable problem in her balance of payments that will prohibit her from participating in a

world system until increased standards the world over raise the demand for her exports.

We need now to declare that in the first years of the peace Canada, Australia, New Zealand, and America, all of which will have great surpluses, will distribute these surpluses on a reconstruction loan basis in which no repayment will be made. If this continuing fund can be administered through the United Nations it will at once give to the United Nations a home in the hearts of all peoples.

V

Yet another barrier remains to joint action, both in the exchange of intelligence and planning in the prosecution of the war, and in joint declarations concerning the peace. It is the fear of Britain, of China, of Russia, that our present alliances are shifting and uncertain and that when the central purpose of victory passes with the armistice all the old rivalries will again break out and new wars will begin. In America there is an added lack of awareness that the kind of commitments which alone are able to save the world and ourselves, can exist only if they are backed by the binding force of military alliances. When our world organization evolves in its full authority and there is only one world army, military alliances will have no place. But for twenty years after this war they will be of great significance as the only means of stamping our common purposes with the seal of a lasting will drawn in terms of the ultimate test of faith—a readiness to fight.

We have now the Anglo-Soviet Pact that is a basic agreement for the reconstruction of Europe. We have the agreements between Poland and Russia, and Poland and England. We need now to conclude a world system of interlocking regional pacts of mutual assistance to guarantee the place and the principles of the United Nations for a period of twenty years after the war. We need to press the necessity of these pacts upon our people until Congress confirms them with China, Russia, Britain, and India. When a council of all Europe is formed from the free governments we might well sign a fifth pact of mutual assistance with this council.

We must sign these pacts as a weapon for education and as an act of faith.

VI

There remains the final stage of the general settlement: to create its appropriate institutions and to begin the work of reconstruction.

We must now establish charter committees to draw up the world charter and the regional charters. When Britain alone was fighting in the West, and West and East bore no relation to each other, it was logical that America and Britain should sign an Atlantic Charter. Now when we are fighting one war, it is altogether intolerable that Britain and America alone should assure to the Chinese peoples their right to work and to vote. Now the new charters must be democratically drawn up by representatives of the people whom they concern. These charter committees of representatives of all major groups in each community should continue in existence campaigning for the enthusiastic endorsement of the charters by all men and women, and the translations of the terms of each charter into the needs and the resources of the smallest communities. In America at least government, labour, farmers, the manufacturers, and other leaders should co-operate in plans to make the charters real and to clear the way for their enactment. Together these charter committees might form a Planning Council of the United Nations.

We must now establish a Relief and Reconstruction Council of the United Nations. On its central committee, Britain, China, Russia and America must be represented in a common staff. Its regional committees must be fully representative.

The functions of the Relief and Reconstruction Council are principally four.

The first function is to prepare detailed estimates of requirements for the immediate post-war plans for Russia, Europe, the Middle East, Africa, and Asia. The requirements are for health, housing, food, medical care, industrial rehabilitation, and the rebuilding of agriculture.

The second function is to train a large staff of representative nationalities as administrators for the United Nations in these areas. For, given the shipping shortage, the prevention of famine and disease will depend largely on the restoration of the internal economies of the devastated countries, and the establishment within them of emergency schemes for rationing, housing, migration, industrial production, training, marketing, transportation, and medical care. It is unrealistic to think of British and American army officers undertaking this work. It must

be done partly by men and women from the localities who are trained during the war; it must also be done in part by British and American civilian administrators. These administrators must of course be professionally trained in medicine, social service work, and the handling of supplies. But we need to include in this force not only professional groups, but young men taken from the unions and the farm organizations who can provide real, popular liaison with their European counterparts. For the training of this force we need now a United Nations University.

The third function of the Relief and Reconstruction Council is to establish close liaison with the joint board machinery that now directs all supplies. The Combined Food Board must be directed to store minimum supplies of seed and needed grains and to prepare for redirecting its entire programme toward relief needs, not only in America, but in Canada, Australia, New Zealand and Latin America. It must finance the creation of surpluses for relief. The Combined Raw Materials Board, the Combined Shipping Adjustments Board, the Production and Resources Board must also possess detailed estimates of requirements as to immediate steps that are needed to provide for these needs. The main characteristic of the relief and rehabilitation period that follows the war will be that executive functions will continue to be centralized in a few hands. Therefore the Relief and Reconstruction Council must not place its own policy-making authority in opposition to the present executive authority of the joint boards; it must work in the closest union with the joint boards, gradually moving from an advisory body to a central directing force as the war draws to a close.

The final function of the Relief and Reconstruction Council must be to look ahead, to relate its immediate programme to the permanent needs of Europe and the world. For none of its actions in reorganizing transportation, in reorganizing private and corporate property, in rebuilding industry, in delegating administrative powers to national governments, can be effectively undertaken except in terms of a very long-range settlement. The Council must have its own planning divisions to prepare for this long-range settlement so that under the Council's direction the immediate relief and rehabilitation period may move imperceptibly into the period of reconstruction. Just as the division of the national agencies which are working for the United Nations must be transferred to the joint boards, so the functions of the

obscurantist post-war planners of the State Department and the Foreign Office must be transferred to the Council.

In the same way we need to merge the Planning Council of the United Nations with the International Labour Office and we need to merge the Economics, Finance and Transit Committee, and the Rationing Survey of the League of Nations, which are now at Princeton, with the Relief and Reconstruction Council. We need to accomplish this integration both for administrative reasons and as an act of faith for the future.

VII

This is the task that war demands of us. It must be accomplished now. The distance between this task and our present understanding is not the extent to which the task must be reduced; it is the measure of the work of education and organization that faces us.

The greatest method of education now is action; yet the unwillingness of our Government, and the unwillingness of the British Government, to act—for these are the main barriers to the general amendment—arise from our lack of vision. Because of our chronic inability to organize, a portion of our political opposition (like a part of our press) interprets its functions of leadership to be the ceaseless nourishment of the meanest prejudices in the American people. At this crisis in the war, the initiative is still in the hands of British Tories who believe that we are fighting to preserve their Empire, and their American counterparts who seek to establish an empire of our own. Nowhere, certainly not in the State Department and the Foreign Office, is there any real driving force advancing the concept of the United Nations. That is our fatal weakness. We can retrieve it only by a campaign of mass education.

We need to organize ourselves to educate ourselves. We need to demand an end to the army attitude of asserting that our soldiers are neutral agents who must know nothing of the purposes for which they fight so that, if need be, they may tomorrow fight with equal fervour on the side of our present enemies, against our present allies. We need now gain our final strength from the assertion that this war will be known as *The Last War*.

We must sweep on, asserting: "No. This is not a time for deliberation; this is a time for action. The flood tide is upon us that leads to

fortune; if we let it pass, it may never occur again." We need now to declare that in our acts of liberation we are opening the flood gates to a new course of history, a new direction of time. We need to assert that the charters are the first brave shouts of the new spirit that is bursting from the war. We must now declare that the joint boards of the United Nations are the beginnings of the permanent structure of world government, that the Combined Chiefs of Staff are the leaders of a world army that will be the only armed force in the future peace. We need now to declare that the Supreme Council of the United Nations which we form is the central executive of a provisional world government; that the full Council of all of the United Nations will become the provisional assembly of a world legislature; that the twenty-eight states of the United Nations, like our own original thirteen, will grow until the United Nations becomes the United Nations of the World.

The time is now.

PART FIVE

THE UNITED NATIONS IN THE TRANSITION PERIOD

"The true measure of nations is what they can do when they are tired."

WINSTON CHURCHILL

CHAPTER TWELVE

THE UNITED NATIONS IN THE TRANSITION PERIOD

SOME day this war must end. Some day if America is not to be a part of Hitler's world empire, she must take her place as one among the United Nations to face a world that asks: For what have we been liberated?

What are we to answer? Our answer must be given in action swift, generous, just. Yet it is hardest of all to act in the time following a hard war.

If we fight this war as a war of liberation then the period following the armistice will be one of the greatest times of liberation in all history. Peoples will arise in Europe and Asia in a new spirit of freedom and world unity that, if we ourselves are prepared for it, may carry the United Nations to entirely new reaches of world organization. If we fail to fight a war of liberation, fail to grasp the essential outlines of the future which must come now or later, by bloodshed or consent, then the time of the armistice will be a time of destruction and decay. If we generate new resources of energy and leadership in this war, then they will carry us over the breakers and out into the open sea. If we cannot find these resources in wartime, then our hopes will be drowned in what Lloyd George called "the broken waters beneath the great falls."

Historically the period of transition after a war is a period of reaction. In the armistice period those who have carried the burden of war lie weakened and tired, while the dark forces of compromise that have taken no part in war's great demands gird themselves to strike. It is

the time in which, in the shadow of the great rock in the weary land to which all travellers turn, murderers wait, holding daggers.

Armistice Day, 1918, Winston Churchill has described in these words:

. . . The able businessmen among us . . . had now been working for a year and a half in a kind of industrial cabinet. . . . There was very little in the productive sphere they could not at this time actually do. A requisition, for instance, for half a million houses would not have seemed more difficult to comply with than those we were already in process of executing for a hundred thousand aeroplanes or twenty thousand guns for the medium artillery of the American army or two million tons of projectiles. But a new set of conditions began to rule from eleven o'clock onwards. The money cost which had never been considered by us to be a factor capable of limiting the supply of the armies asserted a claim to priority from the moment the fighting stopped.¹

We do not know how or when this war will close. This war too may end with a whimper. Yet this much we can say about the world at the war's end:

It is certain to be a world in which sheer physical survival is the overriding consideration: Industrial and agrarian production will be brought to a halt; transportation and communications will be completely broken down; all reserves of foodstuffs, clothing, and fuel will be entirely used up; in Europe and Russia two-thirds of the people may be starving; two thirds of the children may face death or lifelong disfigurement. All the conditions will exist for the worst plagues in 600 years.

It is certain to be a world in which all existing institutions will be destroyed, in which all visible forms of authority, in German soldiers, officials, and collaborationists, will be annihilated or utterly dispersed; in which almost no organizations will be in existence which are capable of providing government.

It is certain to be a world in which all peoples will be in colossal turmoil, hunting for lost families, hunting for ravished homes, hunting for any homes at all in which to live; in which the existing owners of property who worked for the Nazis will be utterly despised and discredited; in which leadership will come from the groups which have

¹ Winston Churchill, *The Aftermath* (sequel to *The World Crisis*), Macmillan, 1941, pp. 32-33.

been most active in organizing the fight against the Nazis—that is, the workers, the peasants, the left wing intellectuals. It is certain to be a world in which fear, doubt, and bitter remembrance of the bloody years after 1918 will cause revolt and civil war if once the Allies align themselves with a minority of dispossessed property owners in Europe.

It is likely to be a world in which, whatever groups rise to power in central government, the underlying forms of democracy will be in factory and community councils and regional councils of citizens that undertake emergency government services. These councils, in France, Germany, Poland, Italy, Czechoslovakia, Hungary, and the Balkans may be the European version of the Russian soviets. In a period in which no parliamentary institutions are in existence, and in which no traditional political parties exist or are even desirable in the divisions they create, these non-party councils may be the best and most democratic form of government.

In contrast to this new Europe, this much can be said of the world in which we will be living.

It is certain to be a world in which, left to themselves, our armies will advance in Europe and in Asia to restore the pre-war property relations; in which, where we have failed to educate our people, fear of popular movements in Europe will act as an incitement to reaction and suppression.

It is certain to be a world in which, when the underpinnings of wartime necessity on which we have built our world structure are jerked away, the scaffolding may rock and crumble in its moment of greatest trial unless we have strengthened it.

It is certain to be a world in which the industrial nations will be faced with tremendous dislocations, weakened by war weariness and the longing for a return to normal living; in which all the forces of the past will combine to appeal to these weaknesses in us and lead an assault upon the new functions of government and the machinery of the United Nations, seeking to destroy every achievement that the war has brought about.

In the clash of these forces at the end of the war the future now waits. In the course of a few short months all the sacrifice of the war may be condemned to barrenness and the world sent spinning off on a new cycle of wars and revolutions. "We have a long way to go, but there is another war looming unless we start our task now."¹

¹ Walter Nash, *Pacific Affairs*, September, 1942, Vol. XV, No. 3.

I. RELIEF AND REHABILITATION IN EUROPE AND RUSSIA

The Problems

The first great problem of Russia and Europe at the war's end will be hunger. It is impossible now to foresee how great will be the exhaustion of Europe and Russia at the war's end. Today there is a slow deterioration of health in Sweden, Switzerland, and Germany; there is a serious lack of nutrition in Rumania, Bulgaria, Denmark, Italy, and Slovakia; there is a dangerous lack of food in Norway, Czechoslovakia, Holland, France; there is starvation in Yugoslavia, Belgium, Greece, Poland, Finland, and Spain. In all of these countries rations of essential foods are being steadily forced down.

From now until the war's end the threat of starvation is certain to grow.

There are the further relief necessities of clothing and fuel. Already Sweden is sending The Netherlands and the Baltic States paper clothing and paper blankets for emergency relief. There is an urgent need now in Belgium for one and a quarter million suits of clothing for destitute peoples.¹ These needs must multiply as the war continues and new supplies cease altogether.

To meet these needs Europe will need at least fifteen million tons of relief supplies in the first six months of the armistice, or more than twice the total supplies sent during the entire reconstruction period after 1918.

The second problem of relief in Europe and Asia will be medical care. Even in 1941 tuberculosis in Warsaw had tripled in its virulence over 1940. The majority of children in Belgium have latent tuberculosis, and tuberculosis is spreading rapidly in Greece. Typhus fever is now epidemic in most of Eastern and Central Europe, in Spain and in North Africa. Malaria is rapidly gaining, and it is cumulative in its effect. Few of the existing diseases such as diabetes can be treated during the war due to the growing shortages of quinine, caffeine, insulin and other drugs. In addition to these diseases there are the nutritional diseases that follow in the wake of starvation: hunger swelling, scurvy, rickets. One doctor writes of the war's end:

It is certain that a state of famine will exist over large areas particularly in devastated rural areas. Hunger swelling and other

¹ National Planning Association, *Relief and Reconstruction in Post-war Europe, 1942*, p. 15.

forms of acute famine may be expected extensively, especially in Eastern Europe and the Balkans. In addition to actual famine acute dysentery is likely to be widely spread owing partly to the malnutrition itself and partly to the eating of grass, earth, and other substances consumed to produce a feeling of distention in the absence of food.¹

Yet even the last war may be no indication of the conditions that will exist in Europe and Russia when this war ends.

The third problem of Europe and Russia will be the problem of migration. There may be at least 6,000,000 German soldiers fleeing in disorder and another 1,000,000 to 2,000,000 Hungarian, Rumanian Bulgarian, and Spanish soldiers returning from the Eastern fronts. There may be 2,000,000 enforced settlers in occupied Russia who will start homeward to Holland, Belgium, and other countries from which they have been recruited. There will be 2,000,000 to 3,000,000 Poles who have been driven out of their country to make way for Germans flowing back from the East and South. There will be 3,000,000 prisoners of war in Germany who will start, principally for France, and 1,000,000 or 2,000,000 workers conscripted for service in Germany who will head for France and Central Europe. In unoccupied France there may be 5,000,000 to 12,000,000 refugees who will move North and East.² From the Urals more than 50,000,000 Soviet citizens will flow back toward Western Russia.

All these people will return to villages that have been destroyed, farms that have been burned, cities that have been levelled, homes that, if they are not unrecognizable, will be occupied by other tenants. They will bring with them orphans, helpless old people, insane people. They will carry malaria and typhus from infected regions to regions which are now free from these diseases. With no control of migration all programmes for medical care and nutrition will founder hopelessly from the start.

There is the immediate problem of the reorganization of transportation without which relief is altogether impossible save for the limited supplies which our air transport fleet may carry. European and Russian

¹ Dr. Melville D. MacKenzie, *Medical Relief in Europe*, Royal Institute for International Affairs, London, 1942, p. 29.

² Frank Lorimer, Katherine Lenroot, and E. J. Coil, *Problems Relating to Migration and Settlement in the Post-War Period: The Transitional Period*, Commission to Study the Organization of Peace, New York, 1942, p. 186.

railways may be totally disorganized from the wear and tear of rolling stock and the lack of fuel oil. The most important means of short haul transportation in Europe and Russia, horses, may be almost non-existent. There will be no reserves of horses as there were in 1918.

If relief is to be brought to Europe and Russia, unloading points will have to be quickly established in the ports that supply Europe and Russia. Dock facilities will have to be rebuilt, storage houses constructed, railway lines reorganized and means of food concentration and distribution established.

But because we cannot get sufficient supplies into Europe, the problem of industrial and agrarian rehabilitation will be as urgent a part of a relief programme as the provision of foodstuffs. Seed, timber, livestock, farm machinery, industrial raw materials, and machine tools will be as urgently needed in Europe as food and clothing.

Yet in industrial rehabilitation, who is to run the factories that are reorganized? In rural rehabilitation, what kind of farms are to be given priority on seeds, fertilizer, and imported livestock? Eastern Europe may possess an excess farm population of 15,000,000 men at the war's end.¹ Are these men to be pressed back onto the farms, or is new work to be found for them? Even at the earliest moment the problems of relief, of medical care, of transportation, of rehabilitation, and of reconstruction are interrelated and indistinguishable. They can be separated only at appalling cost.

The Means

1. *We must understand that only by the retention of all of the United Nations joint machinery can any adequate relief and rehabilitation programme even be attempted.* For we have not yet begun to understand this. We think with affectionate pride of America's role in providing relief in the last war. We fail utterly to realize that America's crime in smashing the wartime controls that existed in 1918 is so black before history that none of our later acts of charity can wash away the stains.

The relief needs of Europe were understood by the British Government in 1918. Whatever the motives of the British Government were (and they were questionable motives), it understood the necessity of maintaining wartime controls.

The British Foreign Office brought forward a detailed plan for the

¹ R. Bicanic, "Excess Population"; address before The Conference of The British Association for the Advancement of Science.

transformation of the Allied control machinery to serve peacetime needs. The British delegation on the Transport Executive, the central agency of Inter-Allied economic controls, proposed that it be converted into a General Economic Council to administer relief in order to avoid "the difficulties and delays in creating a new organization with new personnel and new machinery."¹ Through the Council, food and supplies were to be rushed to Europe. But, as American Food Administrator, Hoover forced the disbanding of the Transport Executive. Yet only after a delay of six months did relief supplies begin to move from the American Relief Administration. In those six months a great part of the hopes of a good peace were lost.

We cannot again make such a criminal blunder. In the absence of the general framework of wartime controls that the United Nations have created, it will be altogether impossible for the Relief and Reconstruction Council to function.

2. *We must understand that only the United Nations can administer a relief and reconstruction programme.* We refused to understand this in 1919. Today we still think of the American Relief Administration and its director, the Great Engineer, with sentimental warmth—one of the most deadly of the myths that eat away our hopes for a new world. Whatever brilliant innovations the A.R.A. administrators accomplished fade completely beside the outrage of ever allowing the existence of Europe and half of Asia to be placed in the hands of a charitable institution.

The programme of the A.R.A. was frightfully inadequate. It shipped substantial, but inadequate, relief supplies to Europe. The price that we exacted for these supplies was that only Americans should administer our relief and that it should not be subordinated to a larger relief programme. The results were ghastly.

Secondly, the A.R.A. programme was not properly related to the other essential parts of a real relief programme: medical care, transportation, the control of migration and rehabilitation. For lack of medical care and control of migration hundreds of thousands died unnecessarily between 1919 and 1921. For lack of co-ordination of transport a great many regions suffered famine for no reason save that available foodstuffs could not be brought to them.

Thirdly, the A.R.A. programme was never constructed on the basis of European needs. It was a commercial programme from beginning

¹ Sir Arthur Salter, *Allied Shipping Control*, pp. 220-221.

to end. During the war the United States had accumulated huge stocks of energy foods, principally sugar and wheat. Instead of analysing Europe's needs and producing for those needs, we sent to Europe the surpluses that we wished to get rid of. More than half of all our relief supplies consisted of wheat; together grain and sugar represented three quarters of the total tonnage shipped. Yet Europe's needs were far more for protective foods—for meat, vegetables, eggs and other proteins, and for fodder to rebuild European herds.

The commercial nature of the A.R.A. programme was destructive in another sense. In one instance shipments were delayed for six months because the A.R.A. would not ship grain in sacks that were too small to be profitable. Because the shipments were unplanned and depended upon commercial motives, A.R.A. officials could never estimate in advance what supplies they would receive. Again this caused an unnecessary loss of life. The commercial nature of our relief caused a further burning hatred of America. For of our relief supplies, the A.R.A. sold 15 per cent for cash, and charged 70 per cent to the war debts owed by a prostrated Europe to war-enriched America.

We must now realize that relief in Europe and Asia is not an American job alone, although it places enormous demands upon America. The relief supplies that Europe and Asia will need at the end of the war will be in large protective foods. Yet the United States is not an exporter of these foods. We have never produced a significant surplus of meat; for fodder, our corn production is the greatest in the world, but again our surplus is insignificant. Even in wheat our present huge carry-over of 745,000,000 bushels will slowly dwindle as American farm production moves into other crops. The great relief suppliers after this war must include New Zealand for dairy products;¹ Australia as a major supplier of wool and grain; Canada of grain; Argentina for meat and wheat.² These suppliers must be organized into a single structure through the United Nations alone.

¹ These are the most needed of all. In the last war Germany's milk supply had fallen by 1918 to 30 per cent of its pre-war quantity; in Vienna the milk supply in 1920 was 6,000 litres a day compared with a pre-war supply of 900,000. The shortage of milk is particularly harmful for young children.

² This makes it particularly urgent that Argentina should enter the war. For the lend-lease structure will be strained after the war if any major supplier not a member of the United Nations insists on profiteering during the relief period.

The Purpose

Already in this war American food is being used as an instrument of policy. It is being used to win over the Arabs in North Africa. It is being used to bolster the pro-American wing of the Vichy Government. It is being used to strengthen the hands of the monarchists and pro-Allied Fascists in the Franco cabinet, and to maintain the Franco regime at a time when it is feared in Allied diplomatic circles that the fall of that regime might lead to a German invasion of Spain.

If there were no further motives in these actions, we could accept them without thought. But those who sup with the devil often acquire a taste for the devil's food and company. It is certain in our divided society that at the war's end new arguments of opportunism will be found to justify the continued maintenance of Fascist regimes. When this war ends we shall hold power of life and death over Europe and Asia. We shall be able to influence Soviet policy through the use of relief supplies. We shall be able to dictate to the Spanish people whether they must endure a monarchy or a form of clerical Fascism. We shall be able to place blocks under the decaying foundations of the rotten House of Savoy, or make the Pope prince of Italy (as some are now proposing to do). We shall be able to install thirty national Fascist dictators in place of one European dictator; thirty monopolists in place of one German monopoly. We shall be able to march all over Europe, trampling on the new shoots of democracy that burst from the ground, and flinging out the seeds of another war. Terrifying power rests in our hands, power that no human beings have the right to hold. We must understand what we intend to use this power for.

The Purposes of 1919:

The purposes of the A.R.A. officials in the last war, which the British and French Governments shared, were very simple: they were summed up in Herbert Hoover's statement to Oswald Garrison Villard:

The whole of American policy during the liquidation of the armistice was to contribute everything it could to prevent Europe from going Bolshevik.¹

In the months before March, 1919, food was held as a weapon over the Central Powers to compel them to accept the treaty settlement. It

¹ Quoted: Louis Fischer, *The Soviets in World Affairs*, 2 vols., Cape and Smith, 1930.

was then used as a means of restoring all the basic conditions in Europe that produced the war. In Germany the main argument used by the right wing of German Social Democracy in opposing the Spartacists was that American food supplies, which starving Germans needed above all things, would be provided to a Germany bent on restoring the status quo ante, and denied to a Germany bent on creating a new society. In Hungary, in direct violation of a pledge by the relief administrators not to intervene in the domestic affairs of Europe, food supplies and financial aid were denied to the Liberal Government of Count Michael Karolyi when it undertook a programme of land reform. When the Karolyi Government was succeeded in April, 1919, by the Soviet regime of Bela Kun, food was again used by the Allied War Council both to starve Hungary and to incite the Czechs and Rumanians to attack the Hungarian revolutionary army.

The A.R.A. food programme was used openly as a means of recruiting white guard armies of intervention in Russia. In the Baltic States and Finland where many Russian exiles from the October revolution came, food supplies were made conditional upon the organizing of interventionist armies. Russia itself was of course blockaded; great stocks of food were held in the Baltic as a means of hastening and consolidating the campaign of General Judenitch against Soviet-held Petrograd.

So, after the last war, food and clothing were used to force starving and destitute peoples back into an outworn pattern that condemned them to new wars.

The Purposes of the United Nations:

In the presence of famine and plague through Europe at the end of this war, the United Nations can make no conditions on the extension of relief. What political forces are brought into being by the United Nations must arise simply from a single criterion: the maximization of the efficiency of the relief and rehabilitation programme. Nothing else will matter.

Yet full mobilization for relief, like full mobilization for war, makes its own demands which must override sectional differences, privileges that form barriers to action, and prejudices that inhibit effective administration.

Because nutrition, health, migration, transportation, and rehabilitation are parts of the same problem, the European section of the Relief

and Reconstruction Council must accept broad overall control of all these; because all are European in scope, Europe must be regarded as one administrative area under the Council.

The control of migration over Europe will demand instant and active intervention everywhere by the Council to provide temporary homes, to prepare priorities in transport related to the conditions that exist at the destinations of all migrants. The provision of medical care will demand the creation of a unified medical service based on a single reserve of doctors, nurses, and medical supplies that can be sent wherever a unified system of reporting indicates that they are most needed. The provision of relief supplies will demand the creation of a similar European reserve of grain, clothing, and other foodstuffs; it will demand also the enforcement of a European rationing and price control system and the creation of a unified system of distribution of all essential supplies produced in Europe itself, if the administration of relief is to be effective.

The control of transportation and communications will demand in the same way a centralized direction for all of Europe. In the last war international railway administration broke down through lack of authority. Rolling stock was taken off the railways by profiteering private interests; the railroads were disorganized and used for non-essential uses when transportation was a major bottleneck in moving relief supplies. Thousands starved as the result. We can suffer no such losses after this war. Railway equipment, locomotives, rolling stock, repair shops, trucks, and cars will have to be organized in one common pool, owned and operated as the common property of Europe.

In the same way, European industry can only be reconverted in a rational way if it is regarded as part of a single industrial system. The great scarcity of industrial raw materials, of machine tools, of new equipment, must compel the pooling of these supplies and their direction into the most urgent uses on the basis of a single priorities system based on employment and the end use of the industrial products.

The European section of the Relief and Reconstruction Council must direct the operation of factories, mines, mills, warehouses, terminals, and utilities as a single system of European industry.

The demands of a relief and rehabilitation programme based on welfare alone are clear:

The administration of European relief must be based on the maintenance of an integrated European economy.

The control of vital industrial and transportation resources must be under a public authority within the framework of a common European structure.

And because the administrative structure of the relief and rehabilitation programme is far beyond the resources of any staff which the Allies can train in advance, execution of the programme must be based upon recognition of the forces in Europe which are able to mobilize European production and distribution as part of a unified system.

What are these forces likely to be? Certainly not the employers and the existing state officials. "The French well-to-do class, in co-operating with the Nazi regime, has politically as well as economically signed its own death knell," says one Free French paper.¹ The same is true in Belgium and Holland; in Czechoslovakia and Poland an employing class barely remains. From these nations new leaders will arise where men are grouped together; the organizations which will survive will be the professional organizations *at the local level*, the trade union committees, the co-operatives, the fishermen's associations, the marketing centres of the peasants, the block organizations among city dwellers. In Europe now these groups maintain their existence; they alone are ready to become a part of the United Nations structure and they alone are able to think in terms of common centralized direction of industry—because for them no vested interests in industrial ownership are at stake. It is these groups that we must turn to, accepting the spirit in which they rise, and directing it toward the creation of a United Europe, based initially on a single programme of relief and rehabilitation.

The Future of Germany. Of course, in the case of Germany special social and economic problems will arise. Today the peoples whom the Nazis are torturing are saying in one voice, "If hell were attacked and invaded by Hitler we should help and support the devil." But this hatred is not held against an abstraction; it is held against each German corporal who plundered the farms of Europe, each soldier who participated in the shooting of hostages, the wiping out of villages, the murder in Poland alone of 170,000 civilians in two years. There has never been for centuries a spirit of savagery like that of the Nazis, and there will rise against it an unexampled spirit of revenge when the Nazis crumble.

Yet the laying waste of Germany would not simply be a disastrous

¹ *France Speaks*, Vol. I, No. 37, June 26, 1942, p. 1.

diversion from the real task of social reorganization; it would be a disastrous destruction of resources that Europe needs.

Must we occupy Germany? How can we answer unless we know what our purposes are?

In 1919 the Allies intervened in Germany for the purpose of maintaining in existence every social force that was in fact a potential germ of Fascism and aggression. Their overriding purpose was at all costs to prevent the social revolution that would have annihilated these forces. It was with allied approval that the storming by the German people of the centres of anti-democratic agitation, the great estates, the anti-Semitic monarchistic State bureaucracy, and the Reichswehr, was turned back by the Government of President Ebert.

From the beginning to the end of the abortive democratic revolution in Germany the Reichswehr remained the one force of stability; and the most active fount of German chauvinism. Ebert is quoted as saying:

We allied ourselves [with the army] in order to fight Bolshevism. . . . Our aim on November 10th was to introduce as soon as possible an orderly government supported by the army and the National Assembly. I advised the Field Marshal [von Hindenburg] not to fight the revolution. . . . I proposed to him that the Supreme Army Command make an alliance with the Social Democratic Party *solely to restore an orderly government* with the help of the Supreme Army Command.¹ (*Italics author's.*)

The Reichswehr remained entirely above the Government, yet it was the Allies who doubled the size of the army in 1922, in order to maintain "order" in Germany. So with our aid the classical struggle of German imperialism to strengthen the Prussian bureaucracy as a barrier to liberal development, to integrate the industrialists and land-owners of Germany into a solid caste, and to maintain in the army a centre of anti-democratic chauvinist agitation continued as if the war had never been lost. First German reaction backed the left wing of the labour movement against the right, then it backed the left wing of the centre against the right wing of the labour movement, then it backed the right wing of the centre against its left, then it backed the conservative group against the centre until it was able to hurl the lot into

¹ Quoted: Franz Neumann, *Behemoth*, Oxford University Press, 1942, p. 11.

the dust-bin and install Adolf Hitler as Chancellor. It was the Allies who set this course of German history in motion.

Our problem is to see that the sources of German chauvinism are destroyed when this war is won; to see that the landed estates are permanently broken up; to see that the control of German industry by the trusts is permanently wiped out; to see that the Reichswehr and the hierarchy of the Nazi machine are destroyed. But *we* cannot do this. The Nazis have not been a clique in Germany, but a mass movement with thousands of backers in reactionary circles, and thousands of sadistic and brutalized men whom we can never distinguish. Only the German people can destroy the roots of German Fascism, and our policy in the period of the Armistice can only be to aid the German people in this task. *In the last war our intervention in Germany was to prevent social revolution. In this war our purpose must be to incite social revolution in Germany.* We need have no fear of the world solidarity of the mass of the German people; Hitler himself despaired of it until we lifted him from his despair.¹ The degree of occupation of Germany which will be necessary must be the degree to which the German people themselves are unable to carry out their own social revolution.

The Future of Government in Europe. Once the social bias of European unity becomes clear, it is possible to think in terms of the forms which government in Europe may take.

The problem of political power in Europe in the armistice period must be related to the overriding necessities of a unified relief and rehabilitation programme. It must also be related to the formation of responsible national governments.

In the armistice period the free governments may be a great source of strength or a real danger. Many of the free governments, the Fighting French, the Poles, the Czechs, the Norwegians, and others,

¹ Hitler discusses in *Mein Kampf* how, in the early meetings in March, to speak of the Versailles Treaty before a proletarian audience "was tantamount to an attack upon the republic and a sign of reactionary, if not monarchist principles. At the very first sentence criticizing Versailles one was the target of the stereotyped interruption and 'Brest Litovsk! Brest Litovsk!' The crowd kept roaring this again and again . . . one could have beaten his head against the wall for despair of such people." He adds that the earliest aim of the N.S.D.A.P. was the "nationalization" of the masses. "This nationalization can never take place by way of half measures—poison is only checked by antidote. . . . The most serious reason against the present-day worker's approach towards a national people's community does not rest upon the representation of his class interests but in his international leadership and attitude, hostile to people and fatherland."

will have substantial armed forces of their own—the only armed forces recruited from Europe that will exist at the war's end. As far as possible we must see to it that these forces return as divisions of a European armed force which forms a part of the forces of the United Nations. Everywhere that provisional governments do not at once arise, the free governments may return to prepare for the formation of Constituent Assemblies both to elect national bodies and to elect federal representatives to an assembly of all of Europe. Already the desire for this federation is expressed in the European underground, in proposals such as that of a French group, "Considerations for the Constitution of the Fourth French Republic." The plan calls for a federal constitution of France integrated in a European federation. It states that the revolution which must end the Vichy regime "must be made according to two cardinal principles: to liberate and to federate." Over and over, from now on, we must assert that this is the purpose of the transition period in Europe; that without one the other must be sterile.

II. RECONSTRUCTION IN ASIA

We cannot tell now when or how the war in the Pacific will end: we can be certain only that its ending will precipitate chaos.

There will be chaos throughout the Pacific following the crumbling of Japanese power. There may be 1,500,000 Japanese soldiers in the South-West Pacific, and 3,000,000 Japanese soldiers in China, Manchuria, and Korea. There will be 500,000 civilian Japanese in China, mostly merchants and technicians. There will be between 500,000 and 800,000 Japanese in Manchuria, mostly settlers. There may be 300,000 Japanese in Korea. Chaos will inevitably follow the collapse of this ruling group.

There will be chaos in China where 30,000,000 Chinese men and women will begin a migration east and south-east from the interior to their old homes. The Government will be unwilling to let these migrants take with them the factories that have been established in the interior; yet they will return to provinces where neglect and the distortion of agricultural production for Japan's war effort will have left an eroded and exhausted soil. These migrants will face famine and disease, and we cannot assert that because China has always suffered from famines she can endure another.

There will be chaos within Japan and the extent of the momentary

chaos there will be the measure of the victory of the United Nations. The victors in a war of enslavement might seek to maintain the old order in Japan as we sought to maintain it in Germany in 1919; but the victors in a war of liberation must seek to aid the Japanese people in their own task of overthrowing this order with its perpetuation of poverty and war.

Asia will need relief supplies when the war ends. Normally Asia has been self-sufficient in food and clothing; but in the chaos that will follow war, Asia will be in urgent need of grain and rice. There will be a further need for fertilizer, fuel, medical supplies, and industrial raw materials. There will be an urgent need for the necessities of a reconstruction programme. China will need new roads, new railways, new coastwise and river shipping; she will need textile and farm machinery more urgently even than rice and grain, if hundreds of thousands of Chinese are not to perish in this time.

As in Europe, relief and rehabilitation in Asia is a world problem which can only be met by action on a world scale. In the case of grain and rice, India must be converted into an important supplier for Asia during this period. In the case of clothing, Japan's textile industry must be reconverted swiftly and used for Asia's needs. In the case of machinery, America must at first be the supplier. Today we have no plans for the conversion of our new ordnance and aircraft plant equipment. It may well be that at the end of this war we can meet the plea of Sun Yat-sen that we neglected in 1919: to send to China the surplus machine tools of our armaments industries, where they can be converted and used by skilled Chinese workers to produce civilian supplies.

A second problem requiring swift action in Asia will be the reorganization of Asia's economic and social structure.

In Japan this reorganization will be most urgently required. There the contradictions which have led to the internal crisis of the social structures of all industrial nations have been carried to fantastic lengths. Japan's attempt to undertake an industrial revolution without passing through a democratic revolution has left an unworkable economic and social structure. Japanese industry has been developed without ever being related to the needs of the Japanese people. These people have been kept in a state of semi-starvation and have hardly benefited from industrialization. The resulting disparity between the growing capacity of Japanese industry and the inability of the Japanese people to purchase

the products of their industries has been a major force in Japan drive outwards in search of new markets and areas of exploitation.

In the transition period a democratic revolution must be initiated in Japan, in which the rulers of feudal Japan, the landlords, the monopolists, the armed forces, and the bureaucracy must be swept away. In its place a movement must be undertaken to establish a domestic market for Japanese goods through agrarian reform; to place Japanese industry at the service of a democratic state, and to lay the foundation of this state in the assertion everywhere in Japan of democratic values.

Yet there is no movement in Japan today with a tradition of revolutionary opposition to Japanese militarism that could become a government, and there is no social force from which such a group might be swiftly formed. So it may be that the United Nations will face the necessity of undertaking some functions of government in Japan during the transition period. Unless we recognize this necessity and train our loyal Americans of Japanese descent as an administrative staff instead of holding them in prison we may be faced with a radical Fascist revolt in Japan at the war's end, with which we cannot cope.

For all of Asia major social changes are necessary. But the one great social need of Asia is that Asia should be allowed to benefit from its own wealth. This means essentially, since Asia possesses no managerial and entrepreneurial class that can administer its resources, that these resources must be nationalized and administered with the aid of a world civil service which has no motives in exploiting Asia for commercial interests. Because this is Asia's one great need the proposals of "down to earth" reformers such as the editors of *Fortune*¹ who conceive of an Indonesian Union within which Western monopolies can return to practise their predatory pursuits is completely misconceived.

Asia's first need is to nationalize its basic resources; its second need is to find the kind of state which is best able to administer these resources in the interests of the people who own them and to bring to these people the opportunities of cultural development. In general our purpose must be to assert that while full independence was the liberal solution of the nineteenth century to these problems, the solution of the twentieth century is to carry all nations into a larger framework in which the independence of any nation is subordinate to the welfare of all peoples.

In all of the new nations that will rise from dependency after this

¹ "The United States in a New World," II—August, 1942.

war the civil service of the United Nations will be needed not simply to administer relief and rehabilitation, but to assist in the formation of local government. This assistance must take the form of technical aid, and vocational training, and the civil service which provides these services must set objective time limits for its own transformation into a small group of technicians who may remain in an advisory capacity until full self-government is reached.

Our short term settlement in Asia must be our long-term settlement in Africa. The problems of Africa are too deep for quick solutions and the action which they demand is far too drastic for any one nation, however enlightened, to undertake.

The social and economic changes which must come in Africa must be brought about by the United Nations. Under its auspices the former colonial administrators must be replaced by the United Nations civil service, and the role of the white settlers must undergo a fundamental transformation. Either these settlers may remain temporarily as technical advisers to the United Nations, or they may remain permanently as citizens with equal status with the native population. No other long-range solution has any justification.

But again all of these plans are meaningless in the absence of great social changes in Britain and America. If we are to be nations with powerful corporations and weak, conservative governments, then no reshaking of the old dice will do more than modify our purpose. An extension of our influence in any form in Asia or Africa will be an apology for a revival of imperialism and will result in the *redivision* rather than the *unification* of the world. Only if we reach a new level of democracy can democracy be realized in Asia and Africa with our aid.

III. THE RECONVERSION OF THE INDUSTRIAL NATIONS

The problems that America and the British Commonwealth face in provisioning Europe, Russia, Asia, and the Middle East in the immediate post-war years are tremendous. Yet as industrial countries we face our own staggering tasks. We and the nations of the Commonwealth face the demobilization of the armed forces which include one man in four; we face the reconversion of one in every two workers to peacetime production. We must meet the problems, not only of starvation and threats of epidemic over one half of the world, but of individual unemployment and misery among our own peoples.

In Britain two out of every three persons between fourteen and sixty-five are working in the armed forces, in war industries, or in civil defence. Men of forty-one are drafted in the army, and the age limit for compulsory war work is already fifty-one.

In America 11,000,000 men may soon be under arms. If the defeat of Germany and Japan should occur some time in 1944 or 1945, 8,000,000 American soldiers may be in Europe, the Middle East, and the South-West Pacific. By December, 1943, 20,000,000 workers will be employed in manufacturing industries on war orders. Of these 7,000,000 will be engaged in final assembly work on military aircraft, ordnance, and naval shipbuilding; another 7,000,000 will be employed in converted industries working on subcontracts; the remainder will be producing on the clothing and supplies of the soldiers. In addition, our farm workers will be directing a great part of their efforts to producing wartime crops. These distortions in production will increase until the war is won.

At the armistice therefore we shall face the necessity of transferring or retaining more than 30,000,000 workers and soldiers. We shall face at the same time the necessity of providing a relief programme for the world of at least \$4,000,000,000 a year. It will take a substantial part of the clothing, the food, the raw materials, the factory equipment, that we are able to produce for those who need it even more urgently than ourselves, and it will bring almost no consumption goods in return.

Clearly these tasks are as tremendous as the prosecution of war itself. Yet in this period, scarcely less than in wartime, the welfare of all peoples demands that we maintain full mobilization, preventing at all costs the return of chronic unemployment that will make a mockery of this war.

In Britain the reshaping of private industry during the war has been far more widespread than in America. Labour, machine tools, the flow of materials, and training of new men have been so far removed from private controls that an immediate return to corporate sovereignty is unthinkable. This is widely understood in Britain. J. M. Keynes asserts:

I believe that this time it will take us three years to recover from the effects of the war. During that period we must willingly submit to discipline—progressively less severe than in time of war, but

nevertheless more difficult perhaps to bear in time of peace. After that period we can reasonably expect to obtain a measure of prosperity and health not only not less but higher than ever before. We can only lay sound foundations for that by accepting the discipline of the first three years.¹

Yet in America we are still blinding ourselves to the fact that war does not end with the armistice, that the tasks of the war period and the relief period are alike in character and in size.

In November, 1918, all controls were ripped from the War Industries Board and the other wartime agencies of our government. The dollar-a-year men were in such haste to get back to making profits that government files were left in disorder and many of the wartime staff of government clerical workers were stranded. The control of prices, the restrictions of the use of raw materials, electric power, factory equipment, and civilian supplies were abolished overnight. The railways and the coal mines were handled like hot cakes by men who feared Socialism. Government-built housing schemes were burned. Camps costing \$6,000,000 were hurriedly sold for as little as \$175,000. All army-owned property that might compete with industry was rushed back into industry's hands. The merchant fleet built by the Government was sold at 20 per cent of cost.² Altogether the War Department sold \$2,000,000,000 of property at 65 per cent of its original worth.

As for the soldiers, in America they were given \$60 and told to scam; in Britain they were sent to register at the unemployment exchange.

Total collapse did not follow these actions, mainly because war expenditures continued at 1918 levels well into 1920. The excess of Government expenditures over receipts reached its highest peak in December, 1918, and declined only in 1919. The tremendous wartime expenditures of 1918 continued to flow into the market.³

The continued flow of Government-financed purchasing power

¹ J. M. Keynes, Manchester University Founder's Day celebration address, May 20, 1942.

² National Housing Association, *When Demobilization Day Comes*, Planning Pamphlets, No. 14, July, 1942.

³ It is estimated that investment expenditures in a given year exact 60 per cent of its income-creating effect in that year and the remainder in the following year. O. L. Altman, *Savings Investment and National Income*, T.N.E.C. Monograph No. 37.

eased the reabsorption of soldiers and war workers into peacetime work. Yet the effect of the continuance of the war in its economic aspects coupled with the destruction of the wartime controls was altogether disastrous. Early in 1920 the gulf between the flow of producing power and the absence of available goods caused a violent inflation. The national income in real terms was less in 1919 than in 1920; in monetary income it was \$12,000,000,000 more. The cost of living in 1920 rose from 118 in 1918 (base 1935-39 equals 100) to 135 in 1919 and 138 in 1920. Enormous as was the rise in prices during the war, the May, 1920, peak was 25 points above the highest wartime levels. This disastrous inflation was followed by an even more disastrous crash later in the year which left high levels of unemployment in Europe and depression the world over. From this depression American industry painfully raised itself on the shoulders of a construction boom. But American agriculture remained permanently disorganized. The deterioration of farming in the Great Plains, the flight to the cities, and the emergence of a high tariff policy all resulted from the disorderly nature of the adjustment of farm production to peacetime needs.

The disastrous effects of abolishing wartime controls on armistice day is what experience should teach us; yet although we may be no more than twelve months before the armistice we are still refusing to learn. The fear of Government control is so great that even within Government thought is being directed to winding up the wartime controls at the earliest moment. This attitude is terribly dangerous.

For the problems of 1919 and 1920 are altogether insignificant in comparison with the problems that will follow this war.

In the last war only 4,725,000 men were conscripted and the average term of these men in the army was under one year.¹ Few of these soldiers were under arms long enough to lose their industrial skills or to be left without jobs.

In this war a substantial proportion of the 10,000,000 soldiers that will be demobilized after an armistice may have been in the army for three years or more. A substantial part of the soldiers, by the war's end, will be young men who have never been employed and who in most cases are not trained for skilled work.

In this war close to 70 per cent of the national income will be devoted to war by the war's end. The consumer durable goods indus-

¹ National Industrial Conference Board estimates.

tries—automobiles, refrigerators, metal furniture, radios, washing machines—have been ripped up and rebuilt for war production. The jigs and fixtures of the automobile industry have in many cases been melted down for scrap, and the machine tool industry, which makes new equipment, has itself been converted. The greatest industry of all, aircraft, will have to be totally redesigned before it is able to employ men on non-war production. The reconversion of these industries will take seven months to two years during which, in the absence of Government action, millions will be left without any means of support.

In this war we are fighting in a time when the sources of profitable investment for private enterprise are drying up and new markets are scarce. Yet because of the growth in our population and the entrance of new workers into the labour market, even if industry is able to absorb in the post-war years our 8,000,000 unemployed of 1939, 12,000,000 men will remain without jobs.

In these circumstances it is insane to speak of wholehearted and courageous "de-control."

In this transition period there will be great funds of purchasing power resulting from sales of war bonds and wartime incomes; there will be no rapid rise in the production of civilian supplies to offset the danger of inflation; there will be scarcity created by the relief programme. Unless drastic action is taken by the Government in full exercise of its wartime powers, we shall face a wild inflation, a spectacular crash, and complete disorganization.

During the immediate post-war period, the Government will have to maintain its priorities and allocations systems to direct needed materials and equipment such as petroleum, machine tools, and road-making machinery, into industries whose products are most urgently needed. Even where temporary surplus capacity may exist, as in light metals, the threat of monopolies closing this capacity down must compel the Government to retain title to its own plants until a satisfactory settlement is reached.

During this period the Government will have further to undertake a tremendous programme for the organization of labour supply. The Government will have to begin by controlling the enormous migration of labour that will take place when workers leave their war jobs and their temporary houses to return to their old homes. Many millions of families will be set in motion in this migration, and without Government supervision it will make appalling transient problems. The

Government will also have to provide a public works programme for 3,000,000 to 4,000,000 workers temporarily disengaged during the retooling of the factories. In addition we shall need a large-scale training programme for a substantial proportion of the demobilized soldiers and the new workers who will come into the labour market.

During the reconversion period the Government must also maintain most of the national counterparts of the present United Nations controls. If the world shipping tonnage, the world flow of materials and supplies, the world co-ordination and allocation of production, is necessary for relief and rehabilitation, then it must be recognized that this world system can only be maintained if its national subdivisions are kept in full force. If we are to undertake a world-wide relief programme, then the British and American Governments must also maintain price control and rationing; for in this period there will be no other protection for the consumer. Clothing, foodstuffs, fuel, will be needed in great quantities for world relief and unless they are rationed their prices will rise to unendurable levels as civilians and relief agencies bid against each other. In order to maintain price stability and full production the War Labour Board must also continue in operation to enforce industry-wide wage stabilization agreements. As a final measure of control, the Government must maintain total tax revenues through the wartime tax structure.

And during this period the community organizations that we have established in war must continue in operation, for they have an invaluable function to perform. The factory committees will be needed to advise on reversion and to maintain as much production as possible. The wartime welfare services will be essential, particularly in the presence of large-scale migration. In particular, if the 4,000,000 women who have taken war jobs return to their homes, the community organizations must find some way in volunteer service of maintaining in these women the spirit of initiative that work has created in them.

IV. THE UNITED NATIONS IN THE TRANSITION PERIOD

In the course of this war many nations are arising to a new form of manhood; outstanding among them are Britain, China, Russia, India, and the United States. Of them, Britain has never placed in doubt her willingness to live as part of a world society; Russia proved her devotion to world unity in the League of Nations; India possesses leaders

who think principally in world terms; China is led by Chiang Kai-shek who asserts:

Inasmuch as cosmopolitanism and world peace are the two main aims of San Min Chu I [The Three Principles of Dr. Sun Yat-sen], China will naturally be disposed to participate in any world federation or co-ordination based on equality of nations and the good of mankind.

Only America is uncertain. So long as we have no idea as to how we intend to use our new strength we are a menace to the world and to ourselves.

Three alternatives lie before us in the transition period. The first is to abandon our position of world leadership, burning the structure of the United Nations behind us as we return to "isolation." The second is to swing away from the United Nations, and start a new game of power politics with peoples as pawns—moved, taken, and discarded by the great powers. The third is to maintain and develop the world structure of the United Nations. If we should choose the last, then the United Nations will live.

All three must be judged by the welfare of our people and all peoples in the post-war years.

Of the first policy little need be said. It is mean and small-minded and destructive of every condition of peace and freedom the world over, and equally destructive of our own well-being. We were mean in 1918, and our meanness created the neuroses and the social disorders that have resulted in the loss of thousands of human lives in this war. Dr. MacKenzie writes of the results of the inadequate relief programme in 1918:

The frequent signs of . . . deaths in the street from famine and typhus cannot fail to produce permanent psychological effects in children which manifest themselves in the individual child as well as in a general increase in child crime often on a very large scale. In at least one area of Europe between 1919 and 1921 cannibalism existed either in the form of necrophagy or actual killing of individuals, particularly children, by groups of starving people. In some instances human flesh was eaten by persons who were mentally unbalanced through starvation and who consequently had no feeling of either repugnance or guilt. On the other hand

killing of human beings for food was done deliberately by individuals and organized groups. It continued even when new food was available owing sometimes to an acquired taste for this kind of food or the fact that the murders were carried out by groups of people ostracized from the community, living as outlaws and consequently unable to go into the village for their rations.¹

Of the policy of the chess players little more need be said. It is typical of those who refuse to recognize in the United Nations any future world organization that they are unable to enter into any detailed discussion of the transition period, to relate their gambits and counterdesigns to the real needs of real people, for it is impossible to analyse the problems of the transition period without recognizing that they can be met only by world organization.

Always we must relate our future plans to needs of all people. Wilson failed to do this in 1918. He believed that the foundations of peace could be laid only on ground cleared entirely of all wartime forms of collaboration. He was convinced that only by making a complete break and a clean start could this be done. With his Protestant fervour he believed that this was possible; but he was wrong and, gambling for all or nothing, he lost.

In this war we need have no such inhibitions concerning our wartime agencies of collaboration. For this is a world war in which two major powers are fighting the rest of the world. So it is entirely logical that, if need dictates it, the organization in which we have joined to win the war should be the organization that will grow from the peace.

And the needs of the world demand that this course be followed.

The relief and reconstruction of Europe and Asia can only be administered through the United Nations. But the Relief and Reconstruction Council cannot hang in an empty space; it demands the maintenance of the United Nations administrative structure.

The shortage of shipping will continue long after the armistice. If the United Nations shipping pool is allowed to pass back to private hands, then—as in the first quarter of 1942—we will be bringing bananas to America when other peoples are dying for lack of bread. If the Relief and Reconstruction Council is to operate at all our shipping must be kept in one pool. But the Board cannot keep the ships of Norway and Holland without extending to these nations full repre-

¹ MacKenzie, *op. cit.*, p. 30.

sentation on the Board. It must become a full United Nations Shipping Administration.

The shortage of nutritional foods, of seeds, of fodder, of herds, will also continue long after the armistice. But if controls are lifted on food prices, and the flow of food is undirected, then Europe will go hungry and the world agricultural production will simultaneously suffer collapse.

Again the Relief and Reconstruction Council cannot feed Europe unless food production is directed by the Combined Food Board. But as new areas are opened to trade, the Board must expand or fail. It must become a United Nations Farm Board, including as many as possible of the primary producing countries; it must bring the Wheat Agreement and the Coffee and Sugar agreements within its jurisdiction.

The shortage of some vital raw materials will continue long after the armistice. But the provision of raw materials and of supplies derived from them is an essential part of any relief programme. In addition, unless the United Nations is ready to purchase and direct the flow of raw materials from Indonesia, the Near East, and Latin America then, inevitably, monopolies will return to these areas and self-government in them will again be a mockery. So the Combined Raw Materials Board must continue and must include wherever possible representatives of the primary producing countries.

The shortage of some essential finished products will continue long after the armistice. Europe and Asia will need ships, rails, structural steel, farm machinery, dock and technical equipment. Without these supplies the relief programme cannot be handled. Yet while our industries are being reconverted, there will be a shortage of these supplies. Again the relief programme demands the continuation of control over production; the Combined Production and Resources Board must become a United Nations Production and Resources Board, directing the flow of industrial products to the most urgent needs.

But relief and rehabilitation is only one of the problems of the transition period. In this period we must also move upon the urgent problems of political settlement.

In Europe, in accordance with principles agreed upon during the war, the free governments, when they are called back by popular demand, must prepare for constituent assemblies. In Europe also the political crises that arise must find recourse in an immediate tribunal for Europe if they are not to be settled locally by force. So in Europe

a European council must be formed within the framework of the United Nations to act as the provisional political counterpart to the European Relief and Reconstructional Council.

In the Pacific, in accordance with principles agreed upon during the war, a political settlement must at once be undertaken, and with the aid of the United Nations, national governments must be established in the countries now occupied by Japan. In the Pacific also there must be some political tribunal to guard against the encroachment of Western commercial interests and to aid in economic and social reorganization. So in the Pacific the Pacific War Council must be extended to include Russia and the occupied nations and must function as a provisional political council representing the United Nations and giving representation to the new Pacific countries. Under this council the regional counterpart to the joint boards, at present the Eastern Group Supply Council, may be made a part of a unified regional structure.

In the same way in the Near East we must undertake a political settlement, and it must be accomplished by a representative group in which Russia is included. In this council of Middle Eastern countries the Middle East Supply Centre may, as in the Pacific, become a part of the provisional regional structure.

In Africa, where the United Nations must be pledged by the war's end to undertake a major reconstruction programme, a new body must be created. It would be altogether foolish to bring Colonial Africa in with the Bonin and the Caroline Islands and other possessions under a Mandates Commission. It would be equally unreal in the presence of strong regional antagonisms to think of Africa in any sense as a unit. Yet there are obvious reasons why, if the dependent empires of Africa are to be administered under the United Nations, these former empires should at least be related in an African council during the transition period.

A third problem demanding the maintenance and development of the United Nations as an independent force is military collaboration in the transition period. The demobilization of troops, the disposal of inventories and the maintenance of military bases must be administered by the combined Chiefs of Staff, in accordance with commitments which we cannot avoid. In the reorganization of the local unified commands, in the preparations of a representative world army of the United Nations that must be initiated at the war's end, it will be necessary for the Combined Chiefs of Staff to draw closer together. The size

of the world force that we maintain will of course vary inversely with our ability to give a united leadership to the world.

Lastly, all of these groups must be brought together in a permanent central executive. A supreme council of the United Nations must be created during the war. In the transition period it must continue in force, not in the form of occasional conferences, but as an executive body in constant session. Because this period is essentially a wartime period the actions of the council must often be arbitrary, agreements must be reached informally and enforced more by voluntary discipline than by well-established procedure. Yet the executive body must have an accepted life of its own, beyond the reach of changes in government.

During the transition period the economic structure of the United Nations must be as nearly universal as possible. Yet the United Nations itself must remain a militant cohesive force, giving active expression to the impulses of freedom, of social progress, of national development and of peace from which it derives its strength. It cannot afford to weaken itself by extending its membership to states which deny the existence of these impulses. Even should the United Nations gain no new members its strength will still be overwhelming. Yet the present democratic character of the United Nations is by no means established, and from this lack of inner cohesion the United Nations may break up. Again the war should provide the solution, for political warfare now demands that we determine what is the essential social, economic and political basis of the United Nations. When the war ends we must undertake to establish this basis for all of the members of the United Nations, principally through the positive interchange of cultures.

So the purpose of the United Nations in the transition period becomes clear. During this time, quite apart from the new spirit of world collaboration which may burst forth from the occupied nations, the most immediate necessities of relief and rehabilitation demand the swift extension of the functions and the representative direction of world organization.

We face tremendous problems of adjustment at the end of this war. The last war also created these problems, but it did not create a state of mind mature enough to face them. Have we yet created that state of mind? The shadow of 1919 stands before us. In that dark year Keynes wrote:

In the autumn of 1919 in which I write we are at the dead season of our fortunes. The reaction from the exertions, the fears, the

sufferings, of the past five years is at its height. Our power of feeling or caring beyond the immediate questions of our material well-being is temporarily eclipsed. The greatest events outside our own experience, and the most dreadful anticipations cannot move us. We have been moved already beyond endurance and need rest. Never in the lifetime of men now living has the universal element in the soul of man burnt so dimly.

Today that element is burning in us, but not strongly enough. We need now to stoke our fires with a new purpose, so that we shall come to the war's end gaining in power of feeling and ready to welcome the new spirit instead of using our last reserves of strength to crush it out. And we can do this! As Milo Perkins says:

We have it in us to measure up to this job. . . . The war is toughening us for the greatest conquest man has ever faced—the conquest of backwardness and unnecessary poverty. . . . It means that what today does to us as individuals is not important. What is important is what we do with tomorrow by way of keeping the whole world at work on all-out production for a century to come. If we can lose ourselves wholeheartedly in this job we shall find personal completeness as men have never found it before.

PART SIX

THE FUTURE OF THE UNITED NATIONS

"In every civilization of the past, bar none, if men took the most that it was possible to produce and divided it among all who were alive to share it, the answer was always a miserable standard of living. . . . If we take all that can be produced at the end of this war and divide it among the people who will then be alive to share it, we shall be within reach of a very good standard of living for the first time in all history. That will be the most important material thing that has happened to the human race since the discovery of fire and the invention of the wheel."

MILO PERKINS

Justice Holmes had a weakness for old maps. His favourite maps were early maps of the United States. Beyond the known frontiers they were uncharted, save for the inscription: *Terra incognita; hic sunt leones* "Terra incognita, hic sunt leones, hic sunt leones, terra incognita." Holmes would say. "But the brave adventurer if he goes into these lands will find far more asses than lions. There are very few lions in this world."

CHAPTER THIRTEEN

THE FUTURE OF THE AFFIRMATIVE SOCIETY

I

We say now that we are fighting for the right of all men to work and to enjoy fair standards. What will this mean in the years after the war?

In 1935, the last year before rearmament began to take up the slack of unused resources, it had no meaning. There were 10,000,000 unemployed in America, close to 2,000,000 unemployed in Britain; there were twice that many in both countries whose standards were below the minimum requirements of physical efficiency. In America in 1935 full employment would have meant a national income of close to \$100,000,000,000; our national income was \$59,000,000,000. But after this war a national income of \$100,000,000,000 at 1935 prices will leave 10,000,000 Americans unemployed. Our productive power will be so fantastic at the end of the war that at levels of full employment

we shall be able completely to rebuild all of our industry in the course of a few years.

By the end of the war the Federal Government alone will be spending considerably more than our total national income of 1935. By the end of the decade full employment at 1926 prices will require a national income of at least \$125,000,000,000. Given our pre-war habits and distribution of income, total savings will be about \$24,000,000,000. This sum, rising each year as productivity increases, must be offset by new investment by private enterprise and by Government if full employment is to be maintained.

In 1935 the total contribution of American industry in new investment expenditures that offset savings was little more than \$4,000,000,000.¹ Now, however, American industry is undertaking a major campaign to prove that it can provide for six times this amount of investment in each year. In the old spirit of "we can, we will, we must" with the undertone added "the Government will get us if we don't," the greatest corporations are preparing to demonstrate that they can take over the American economy when the war ends and maintain it at full employment.

Of all the reasons for optimism concerning the future of private investment that are advanced by those who fear Government enterprise,² only two can be considered seriously: the first is the presence in the short term of a great volume of deferred demand; the second is the long term effect of technological change. Both of these are important, but the limitations of both must be understood.

Of course demand in the post-war period will be increased by the wear and tear of factories, of railroads, of equipment and by the absence during the war of new supplies of consumer durable goods. But at best deferred demand may exert some influence for a short period.³

In the same way technological change is an unreliable friend for the enemies of Government to turn to. A friend of strong Government

¹ T.N.E.C. Hearings, Part 9, "Savings and Investment Exhibit," n. 542, p. 4010, the total was \$4,130,000,000 for total plant and equipment expenditures.

² Of course world development is an essential part of the maintenance of industrial employment. But it is a part of and not an alternative to domestic expenditures that create income. It is discussed later in this chapter.

³ Save of course in housing where a different problem arises due to a chronic lack of adequate housing and the physical destruction caused by bombing. Housing is important, but low-cost housing is essentially a government enterprise.

asserts that "We are on the verge of a new light metals and plastics age in which . . . the opportunity for new business . . . should be the greatest in the history of the nation." But the liberation of this new age would cause the dislocation of the old age beyond the power of private enterprise to repair. Its effect in creating employment would be limited by the tendency of new inventions to save labour;¹ and the new employment which it might create through new investment would be assured only under conditions of competition. At the moment, the new age is very much within the control of the old age; only increased Government enterprise can free it.

And none of these arguments faces one terrible fact: that nothing is given to us by a society of private enterprise because we need it; there is no reason that, because men want aluminium cars and all the lovely dreams of the designers, they should receive these things. Between need and satisfaction in the economy of 1935, the ties were weak; so long as the problem of effective demand remains, increased need in itself is no solution.

We must face the necessity of change; of the \$24,000,000,000 that must be invested each year it is unlikely that over a number of years private enterprise could employ more than \$10,000,000,000.² For the remainder there must be a federal programme. This programme must be on such a tremendous scale that it is absurd to attempt to creep up on it by slipping another \$5,000,000 here and \$10,000,000 there past a suspicious Congress. We need to think in ways that are entirely new.

Again we need vision to think in great enough terms. We need two approaches: first to see our resources as a whole and to think simply in terms of their power to produce; second to think of our needs as a whole, and the urgent demands that they make upon us.

II

It must become clear, if we remember what we are fighting for, that at heart the solution is essentially simple and just. We have proclaimed

¹ The introduction of the new age, in electrification, aluminium rolling stock, etc., in the railroads after 1918 was in part responsible for a reduction in total labour force of the railroads of 300,000 men.

² It is unlikely in the light of the fact that the highest peak of investment reached by private enterprise was only \$10,000,000,000 in 1929. It is also undesirable because the over-expansion of 1929 prostrated private investment for four years.

the right of all citizens to creative work. We need only enforce that right.

We know enough now to anticipate what total flow of new savings and new investments are required month by month in order to maintain a given national income in each year. When the level of national income required to maintain full employment in a given year is determined, the Federal Government will underwrite that income; it will undertake, that is, to provide the difference between the flow of new private investment and the total flow of new investment that is needed to maintain full employment. Given the tax structure, the nature of income distribution, and the general pattern of the way in which incomes are spent, the Government can determine, within well-defined limits at the beginning of each year, what its total programme must be. During the course of the year, as the national income in each month moves from its anticipated course, the Government can adjust its programme. If income is running over its proper levels, the Government may bring about a reduction in income through fiscal policy or the temporary curtailment of new expenditures; if it is running below, the Government may undertake new projects or it may subsidize consumption.

III

We need a plan as dramatic as this to shake our people into the realization that full mobilization in peace is really possible. We need the moral equivalent of war in such a peacetime programme. We need, as in war, to set our objectives over a period of years. We need to strive for these objectives until the spirit of a permanent mobilization of resources fires all of our people.

Yet we need more than this. To find jobs for everyone is only the first step in any real advance. We need to place beside the right to work, the other purposes of our affirmative society. We need to make work thrilling in terms of its creation. We need to think in great terms also of our needs.

What are they? If again we bridge the artificial divide between private and public enterprise the problem becomes simply: How are we to organize our resources best in providing for our needs and the needs of the rest of the world?

These needs we must determine in the light of the economic and

social rights that we are fighting for. If we turn honestly to face these needs, the contrast between the minimum rights that we dare speak of and the actual conditions that exist in America is so shocking and terrible that the provision of employment becomes entirely secondary to the provision of our most urgent requirements.

If we think in terms of our need, these broad divisions must stand out in any federal programme of employment:

1. Urban and Rural Housing

We have asserted the right of all Americans to minimum standards of housing. We are far from these minimum standards today.

In the case of urban housing it is difficult to measure over-crowding. The standards employed by the Federal Government are the existence of private baths in urban houses and their state of repair. According to these standards, of 20,000,000 urban houses, 5,700,000 are sub-standard. Of 7,700,000 rural non-farm houses, 4,900,000 are sub-standard. If these same standards are applied to rural farm houses, then of 7,300,000, 6,600,000 are sub-standard.

But need and fulfilment are still unrelated. The two-thirds of all our families with means under \$1,500 a year are not reached by the private housing industry. Even for the families with \$2,000 a year who are fully able to pay the cost of low-cost housing, private industry is unable or unwilling to provide new housing.

Yet rural housing is not just a matter of repairing rotting buildings. It involves the reorganization of farm communities. It must be related to farm resettlement and reorganization. It means the provision of rural electrification, the regrouping of farm buildings in villages, and the creation of new community facilities.

And urban housing is not just a matter of tearing down one slum house and building another. In addition to the individual rights of the house dwellers, there are the collective rights of the city dwellers. Our cities are among the worst-planned in the world, and they are steadily deteriorating.

The replanning and rebuilding of the cities that is needed now is entirely beyond the scope of the cities and the states. We need, for our most urgent requirement, a 20-year housing programme as great in each year as the highest peak of the greatest housing boom we ever had. Of that total of \$8,000,000,000 a year to be spent by the Federal Government, public housing will have to start at the rate of perhaps

\$1,500,000,000, increasing steadily as the market for high-cost private housing declines.

2. *Regional Development*

Yet for all the millions of families in America who lack not only homes but land and subsistence, and for the millions in regions where farmers are unable to meet their minimum requirements and where cities are falling back for lack of new industries, housing can only be part of a broader programme of regional development, principally in the unified development of the water power resources of the river valleys. The Columbia, the Colorado, the Mississippi and the St. Lawrence offer regional developments as great or greater than the T.V.A. The Central Valley, the Missouri basin, the Ohio Valley, the Upper Mississippi region, the Great Lakes, the region of the Arkansas, the White, the Red, and the Red River of the North all call for regional development on as great a scale.

In these regions entirely new forms of co-operative rural life can be evolved under the close protection of the Federal Government.¹ Bold regional development already undertaken in the T.V.A. provides further for the establishment of Government research stations that develop new types of fertilizer, of crops, of farm machinery and of household equipment that is produced in co-operation with private industry. The training of labour, the provision on a regional basis of social services and transportation are all part of the functions of a development authority.² If regional development is undertaken on this scale, self-liquidating investment in the river valleys will require the expenditure of \$2,000,000,000 a year for twenty years.

3. *Transportation*

Urban and rural redevelopment and river valley development form the basis for new Government investment; but unless they are planned in relation to an industrial transportation system, they cannot move ahead.

We need to undertake an interregional highway system providing interconnections between the new centres of population; providing

¹ For the Columbia Basin, the Department of the Interior and the Department of Agriculture are developing the planned distribution of ideal farm plots and the location of villages, through public ownership and lease, for a million new acres of farm land.

² Alvin Hansen and Harvey Perloff, *Regional Development and Post-War Progress*, Washington, 1942.

for major arterial roads, and real terminal facilities for trucks and cars. We need to relate this programme closely with the construction of air terminals.

We need also to link this programme to the reorganization of the railroads to provide for new public terminals, for a far better system of grade crossings; for modernization of equipment. The railroads have been unable to undertake this reorganization. As a consequence, a programme of railroad rehabilitation alone is needed now that is estimated at \$3,000,000,000 a year for ten years. The total transportation programme may be flexible above \$3,800,000,000 a year.

4. *Nutrition*

During this war we are establishing minimum standards of nutrition for all citizens. We are developing a system of subsidizing consumption of low-income groups so that the rationing system may in effect become a system of minimum standards of consumption. We must maintain and develop this system of minimum standards in peace.

We have called for minimum standards in housing; we need them even more urgently in nutrition. In America today only one fourth of our people have diets that are good; one third have only fair diets; the rest have poor diets.¹ This under-consumption is principally a matter of maldistribution of income.

Instead of distributing surpluses, the Government will in future have to maintain through centralized purchasing of farm crops the kind of agricultural production that the war has created. Instead of distributing stamps as a form of relief, the Government will have to provide family allowances in the form of food and clothing rations to families with incomes that are less than the minimum required to provide for their basic requirements.

The size of this nutrition programme depends upon the extent to which we can raise the national income. The length of the programme depends upon the extent to which new opportunities develop for the low-income group, and the energy with which resettlement is under-

¹ *For a Better Post-War Agriculture*, National Planning Association, Washington, D.C., Planning Pamphlets, No. 11, 1942, p. 40. In the case of Britain it is estimated by a leading nutritionist that "raising the food consumption of the whole population to the top 10 per cent who buy nutritionally satisfactory diets would involve an increase in the demand for milk of 80 per cent, for butter of 41 per cent, for eggs of 55 per cent for meat of 29 per cent, for fruit of 124 per cent and for vegetables of 87 per cent."—Sir John Boyd Orr, *Food, Health and Income*, Macmillan, 1936.

taken. But for at least ten years this must be a programme that will affect close to a third of our people. It may require from \$500,000,000 to \$800,000,000 a year.

5. Medical Care

The ghastly lack of medical care in America was exposed in this war, when the selective service medical officers found that among the first 2,000,000 young men of draft age 900,000 were physically or mentally unfit for military service. It demonstrated one of the most terrible failings in American life: our inability to take care of ourselves. Now, in wartime the beginnings of a federal health programme are appearing. In peace we need greatly to extend these beginnings—to bring to all our people standards of medical care that are guaranteed by the Federal Government.

As in the case of lack of nutrition and lack of clothing, lack of medical care is partly a matter of low incomes. Yet medical care is also a matter of organization. In the major American cities 15 per cent of the cases of illness of the relief population received clinical care in peacetime; in the cities under 25,000 the number was 2 per cent. In the rural areas two in every thousand cases of illness among relief families received clinical care.¹ Among the entire American farm population three-quarters lack the minimum necessary medical care to prevent physical deterioration and only 5 per cent have fair medical, dental, hospital, nursing and drug services.²

The reorganization of the medical services can take place only on a federal basis. As with housing, the Federal Government must finance the construction and the maintenance of rural hospitals and health centres. It must finance and organize group health associations in the cities and rural villages that provide clinics, and reduce the cost of medical services through co-operative methods.³ Altogether, in a plan which provides for construction and a federal grant towards maintenance, an adequate health programme would require federal expenditure of close to \$1,000,000,000 a year.

¹ Report of the National Health Survey quoted, *For a Better Post-War Agriculture*, National Planning Association, Planning Pamphlets, No. 11, p. 43.

² *Ibid.*, p. 43.

³ It is estimated that \$100 a year would provide medical care for families on a co-operative basis in contrast with \$200 a year in individual treatment.—*Ibid.*, p. 43.

6. *Education*

We have guaranteed to our people the right to equal opportunity through education. We have failed to provide it and the results are damaging even in the most immediate military needs. In 1940 the Selective Service Administration found that 10,104,000 adults of twenty-five and over were fundamentally illiterate. It found that these adults had less than the equivalent of fourth-grade education and were unable to read an ordinary newspaper with comprehension.

The appalling lack of adequate education in America that derives from the lack of a federal programme is exposed in this contrast between the ten States with the highest proportion, taken from 1940 statistics.

In the ten States with the lowest illiteracy the average expenditure on education per pupil was \$80 a year.

In the ten States with the highest illiteracy the annual expenditure per pupil was \$37.

In the ten States with the lowest illiteracy, the average salary paid to teachers was \$830 a year.¹

In the ten States with the highest illiteracy the average salary paid to teachers was \$640 a year.

If we are to provide genuine educational standards for America, then we need now to double the programme of construction and maintenance of schools. We need to increase greatly the quality of school buildings, to raise the salaries of teachers, to provide new equipment and free textbooks universally. We need to extend high school education so that more Americans can attend high school and all can stay longer. We need to provide in the high schools the preliminary courses of a real training programme. We need to extend the school system to the nursery schools that have never been developed in America. We need to expand the junior college system to take care of the two-thirds of all students who now attend four-year courses in the universities and leave after two years. We need this also as a means of saving the universities. We must greatly expand the professional courses in the colleges if we are to provide enough dentists, doctors, engineers, and teachers to make possible our other federal programmes. We need to establish adult education on a far greater

¹ This in itself is a disgraceful commentary on American education; it is two-thirds of the union wage scale of stenographers.

scale, both on a vocational and an academic basis. We need to build and maintain a tremendous system of rural libraries. Today there are 40,000,000 Americans without access to libraries and without sufficient income to purchase books.

In the past the States, the counties and the private institutions together provided an educational programme of \$3,000,000,000 a year. The system of federal education that is outlined here will require expenditures of \$6,000,000,000 a year.

7. *Social Security*

We have made beginnings in social security in America, but they are only beginnings. Our present social security system is as meagre and as unequal in its benefits between States as our system of education.

The most inadequate of our social security payments is unemployment insurance. Our old-age benefits are no less mean. In the case of aid to dependent children we possess a better welfare service in the State Departments of Child Welfare, and a closer range in payments. Yet the assistance given to families without means of support for dependent children is still inadequate.

As a major programme, social security must be concentrated in the years immediately following the war. Today we have made no provision for the men who will be unemployed during the reconversion period, and unless an unemployment insurance reserve is built up during the war, relief will be our only means of compensation.

But in the case of old-age insurance, though the programme may be narrowed in scope as medical care and low-cost housing are extended, we shall need a permanent federal system of old-age insurance, without qualifications of need, in which minimum payments are close to present average levels.

8. *Care of the Land*

For the South and the Plains States, the provision of minimum needs of nutrition, clothing, medical care, education, and social security must be coupled with an active programme that provides particularly in these regions but also for all America for better land use. The farms that are unable ever to provide a decent standard of living must be reorganized or turned to other use. This demands a great resettlement programme. But the land itself must be cared for where it is unused or worn out.

We need a federal programme for the treatment of pasture land, for the development of drainage facilities; for the provision of minor irrigation works.

We need a programme for the Government purchase of a great deal of our range land and for the care of this land by stock control, erosion, fire and weed control, and reseedling.

We need an immediate federal programme of Government purchase and control of the forests (and ranges) that are being cut down at almost twice the rate of growth of good new timber.¹ This programme of land care, which together with the nutrition programme may replace most of the present farm subsidy and relief payments, will require expenditure of perhaps \$800,000,000 a year.

9. *World Reconstruction*

The purpose of this chapter is to demonstrate what domestic programme is needed for America. In general it is a programme which may apply in broad emphasis to other industrial nations. Given a programme that is as great as the needs of the industrial peoples are urgent, these nations may earn the right to live peacefully together. But of course the programme is not in itself sufficient. Only by the most drastic reduction in standards of living can any industrial nation undertake now to maintain full employment without the aid of world trade. For Britain the importance of foreign trade is so great that her main problem is not so much finding employment for her workers as in obtaining sufficient exports to pay for the volume of goods she must import in the post-war years.

World reconstruction must be a major source of demand for American industrial production after the war. It must not be a major weapon in increasing employment where the increase is achieved at the expense of other industrial nations. Yet if we are to maintain the responsibility we have assumed for the welfare of other industrial nations and other peoples, we must recognize that the welfare extends beyond the relief period and far into the period of reconstruction. An estimate of the most urgent requirements submitted to us by China, India, and Latin America, and the needs of other nations, indicates that net American exports of capital during the reconstruction period will have to be close to \$1,000,000,000 a year.

¹ National Planning Association, *op. cit.*, p. 27.

IV

This programme may serve as a dim outline of the magnitude of our needs. They are tremendous, even in terms of our resources. We need have no fear that the limiting factor in Government enterprise will be the lack of new sources of investment.

What will the limiting factors be in the establishment of a programme such as this that provides for full mobilization? The first limit is essentially economic, in terms of our resources; the second is essentially social, in terms of our ideas and our institutions.

The economic limitation upon the extent of a programme of Government investment is simply the amount of its resources that a free nation such as America is willing to devote to investment. It is a limit that has been so far beyond our reach in peacetime that we can only sense it in terms of war. Yet in a full employment economy it exists.

In the future it will be altogether impossible to undertake a serious programme of public enterprise if it is to be seen as a superfluous appendage, a tap to be turned off when advertising starts a rage for Cellophane and turned on again while the Ford Company change over to a new model. If we need a health programme, then it is altogether intolerable that the construction of rural hospitals should be postponed until resources are freed from a construction boom in picture houses.

Clearly we need to maintain stability in private and public investment and thus maintain full employment. We need, through control of capital issues and, if necessary, through priorities, to prevent booms and slumps in private investment and to keep it close to its average over a period of years.

The second limitation on public enterprise is the ability of the Government to tax and to raise revenues from its own projects. In the past, because the Federal Government was forbidden to enter on a great scale into productive enterprise, and because it was prevented from establishing a powerful tax structure, federal deficits rose steadily.

Of the programmes outlined here, the extent to which the construction programmes of urban and rural redevelopment and air terminal construction will be self-liquidating will depend largely on the extent to which the Government lowers interest rates and refuses to pay compensation on inflated land values. The extent to which

the programme of river valley development will be self-liquidating will depend on the extent to which the Government is able to gather to itself the windfall gains in appreciated land values resulting from each project. The social security programme, and to a lesser extent the programme of medical care, may be self-sufficient through the principle of insurance. The maintenance of Government land will be an exact counterpart of private capital maintenance. In all of these the limitations are social; if we are ready to break the necessary vested interests; if we are ready to see these programmes of Government investment as equivalent to private investment, then each programme may be financed by loans from Government corporations on a self-liquidating basis.

In the federal budget, expenditures on education, on the service of the debt, on the nutrition and clothing programme, on federal grants-in-aid and on the running expenses of Government will remain. Together they may total \$10,000,000,000 a year. If in addition our contribution each year to the armed forces of the United Nations should be \$5,000,000,000, then we shall be well within the capacity of a progressive tax structure to finance these expenditures out of current income.¹ With total Government expenditure of about \$25,000,000,000 a year, the federal budget will be balanced.

The powers of the Federal Government to control the levels of economic activity must also be extended beyond fiscal control to direct intervention where this is necessary.

Firstly the Government must intervene where intervention is necessary to induce industry to participate in the national purpose of maximizing production.

Where monopolies exist, Government control must be instituted; for the aim of monopolies is not to maximize production, but to limit production and fix prices as a means of maximizing profits. Monopoly policy is further to prevent new investment except where investment is profitable to itself and this must cause a breakdown of any mobilization plan. In iron and steel, in plastics, in light metals, in transportation, communications, and utilities, monopolies exist now in some degree. Since these are strategic areas of new investment,

¹ The magnitude of this tax revenue of \$15,000,000,000 a year would be equal to our present revenues, but the burden of the tax structure would of course be far lighter than in wartime, since the ratio of total taxes to total consumption would be more favourable.

they must be controlled either by direct Government ownership and operation, or by Government ownership and private management, or by Government control through yardstick, price-fixing, or patent ownership methods.

Where mines exist that are reluctant to operate at the rate required to maintain the necessary flow of raw materials in a fully mobilized economy, Government controls will be necessary, either in the establishment of quotas or in the enforcement of price discrimination or direct control of production.

Where industries exist that are too disorganized to take their proper share in the national mobilization, the Government must again intervene. This will be necessary in the railroads, where it is altogether proper that the Government should own and maintain the ways and the terminals and allow the companies to use them as cars are allowed to use the public roads. Government intervention will be further necessary in housing where the disorganization of the housing industry, through local ordinances, artificial real estate values, restrictive union regulations, and poorly run building firms, makes a low-cost housing programme impossible. Government intervention will also be necessary to end the obstruction caused by the private utilities and their lobbies against the development of great generating stations and transmission systems, which are necessary for new investment.

Secondly, the Government must intervene when intervention is necessary for stability. The test of our success in maintaining full employment will always be the extent to which we are threatened by inflation. Over-all price control is undesirable in peacetime, but the only alternative short of widespread Government ownership is a system of selective controls.

In the case of rents the rent control instituted in wartime must be maintained in peace. In the case of foodstuffs the Government must extend the scope of the ever-normal granary; it must undertake a far greater federal programme of purchases of farm crops for distribution; and it must maintain its supervision over wholesale and retail margins through a permanent reorganization of the wholesale and retail trades. In the case of industrial products and raw materials, the Government must prevent supplies being withheld in the expectation of price increases; it must also have the means of preventing temporary local shortages from being expressed in rising prices. So the principle of the ever-normal granary may be extended to the creation of regularly

placed Government-held reserves and industrial products which may be released whenever manufacturers seek to enforce price increases without due cause.

In the case of wages the Government must encourage in industry the conclusion of industry-wide stabilization agreements that run for one or two years. But the ultimate solution here lies not in Government intervention. It is in the building of the trade unions into the fabric of society as an integrated force with Government and management in industry matters.

Lastly the Government must intervene where intervention is necessary to redirect labour without recourse to unemployment. Our aim will be, not simply to find jobs for all our workers, but to find the right jobs and to place men where they are needed most by the community. There will be the initial problem of migratory labour. There will be the problem of under-employment on the farms;¹ of misused skill due to lack of mobility and seasonal work that is unrelated to year-round needs. There will be the permanent problem of ensuring that technological development will not be a blight but a triumph in freeing resources.

These are the controls that are needed to provide for the economic rights of the affirmative society. They provide also in education and in training and in the progressive tax structure the beginnings of a basic social right: equality of opportunity.

A second social right remains: equality for minority groups and particularly for Negroes that is still denied. The increase in federal enterprise that full mobilization demands not only opens the way for greater opportunity for the Negro; the replacement of State and local expenditures gives to the Federal Government for the first time the chance to attack the great barriers to the enforcement of the Thirteenth, Fourteenth, and Fifteenth Amendments that exist in the localities by making the enforcement of these amendments a matter of administrative policy in the federal programme.

A fundamental political right remains that is still denied to a great part of our peoples: the right to vote without payment or property qualifications. And again the programme of full mobilization will

¹ It is estimated that if American agriculture were reorganized to reduce work, the number of farms could be reduced by one half and the number of farm workers by 2,000,000 without reducing production.—Ellickson and Brewster, "Manpower and the American Farm Plant," *Land Policy Review*, May, 1942.

provide this right, for the maintenance of political feudalism in the South by means of the poll tax and local property and literacy laws cannot withstand the growth of regional development and federal education that full economic mobilization will bring about.

These controls mean of course a significant increase in the functions of the Federal Government. Is this to be feared? Only in the sense that it may lead to over-centralization through the atrophying of regional, State, and local participation. A part of any programme of permanent mobilization must be the maintenance in peacetime of as high a spirit of regional and local participation as we have attained in war.

Regional decentralization may extend rapidly in the programme of valley development. In a time of rapid change it will combine the freedom of executive action with the close relationship to the people that is required. The group of regional authorities may be more closely related to the Federal Government than the T.V.A., but with sufficient independence to maintain their essential character irrespective of changes in political power.

The entire system of industrial democracy that we have established in wartime may continue if we have the will to make it work. The factory committees may run the factory canteens and the factory welfare services, participate in management work on new means of raising output, and maintain their organization on a regional and a national basis to participate as administrative bodies in the mobilization plan.

The entire system of community organization must be doubled and redoubled over wartime levels if the plan is to be carried through.

The local housing authorities—on which doctors, architects, city planners, consumers' representatives, and other groups now serve—may become the nucleus of the local administrative structure of urban and rural redevelopment. Community health committees—also representative—will be needed to see that all citizens are enrolled in health insurance plans and properly cared for in health centres. Community education committees will be needed to supervise the adult education in music, art, literature, and vocational study that the federal education programme will call for.

Community councils—the peacetime counterparts of the defence councils—will be needed to bring together these groups and to run with Governmental aid town and neighbourhood meetings where

local regional and Federal Government officials are present. These councils or town meetings may also be regional in scope. In America, in Britain, everywhere that democracy exists, this framework of community participation in Government is the final measure realizing all of the promise that is contained in democracy.

Soviets in Russia—Co-operative Councils in China—Communal Councils in India—Civil Defence organizations in Britain—town meetings in America—revolutionary democratic cells underground in Occupied Europe. Surely this in itself is a thrilling signal that we are on the right track at last. A new spirit is demanded all over the world, and a new spirit is being born! Blindly, haltingly, the world is feeling its way towards one common end!

THE FUTURE OF NATIONAL DEVELOPMENT

I

WHEN the relief period ends we shall face again the division between the industrial and agrarian countries. The industrial countries will need urgently the agrarian markets; the agrarian countries will need urgently industrial goods, and between them the division will stand, opened by exploitation, widened and deepened by the erosion of outworn ideas.

To stop the erosion we need to understand that only the revival of the agrarian nations can save us; we need to think, not in terms of our profits, but of their needs.

When we face the need of our people for better housing, for better clothing, for better medical care, it seems altogether tragic that Americans must wait thirty years before there are hospitals enough, schools enough, houses enough to meet our primary needs.

But if we turn to the agrarian countries it seems terrible that in America we should possess such fantastic wealth today when two-thirds of the world is misshapen with poverty.

We plan to provide better nutrition for the third of our population that lacks sufficient proteins. Proteins! Four-fifths of the peasants of Asia, Africa, South-Eastern Europe live on one meal of mush three times a day, every day in the year. The people of Northern Rhodesia, as in most of Africa, supplement their mush diet with "grubs, wood lice, caterpillars, flying ants, honey and dried fish."¹ Four-fifths of China live on the verge of starvation; in India and Latin America Government experts are finding increasingly that the main problem in raising production is overcoming the physical apathy left by years of acute malnutrition.

We plan to provide better services for the third of our people who lack adequate medical care. Adequate medical care! In Yugoslavia 50,000 of a population of 15,000,000 die every year from tuberculosis, and forty-five out of every hundred of those who died are children under ten years old. In Britain's colonial empire one-third of all

¹ *Report of the Committee on Nutrition in the Colonial Empire*, Vol. 2, p. 25, 1939.

registered male deaths are caused by tuberculosis, pneumonia, and bronchitis; pellagra and scurvy are widespread; worm infestation in many regions is almost universal, and in certain African cities 70 per cent of the people are tubercular.¹ In West Africa, venereal disease extends over 50 to 90 per cent of the population.² In India twenty-five mothers in every thousand die in childbirth; sixteen in every hundred children born alive die in their first year of life.

We plan public enterprise to raise our people from poverty. Poverty! In the Balkan highlands "Three men have one pair of shoes between them and buy one package of matches; and four of them share the same winter coat. Nine-tenths of the population are indebted to local merchants. The peasant is illiterate and knows no bookkeeping. Most households do not own carts."³ Shoes? Winter coats? Carts? How many of the people of China and Africa know of these things?

We plan to double our educational programme so that all who wish may attend universities. Universities! In Northern Rhodesia half of the children do not attend any schools and in most of the colonies one in two hundred reach the minimum standards of Western education.⁴ We complain that \$80 is not enough to spend on the education of a school child for one year. In Tanganyika and Uganda annual expenditures per child are \$1.25. In India 12 per cent of the people are literate. In two of the leading countries of Latin America, Brazil and Mexico, illiteracy is 52 per cent and 45 per cent.

We plan to take better care of our land, to provide irrigation when the rainfall is insufficient. Land care! In Africa and Asia there is almost none; the land is eroding so rapidly that in major regions only one-half of the population of a century ago can be supported. Irrigation! In the Balkan highlands, where 5 to 10 per cent of the people have oxen and carts, water may be twenty-five miles from a village and it may take a man half a day to fetch five gallons. "It is a horrifying sight to watch in August men and beasts fight over a few quarts of water. . . . When a parched peasant finally gets to sip a little of it, it intoxicates him. Not seldom, villagers wage real war over it with many dead and wounded."⁵

¹ *Report of the Committee on Nutrition in the Colonial Empire*, vol. 2, p. 25, 1939.

² Lord Hailey, *African Survey*, Oxford University Press, 1938, p. 1145.

³ Stojan Pribichevich, *World without End*, p. 245.

⁴ W. M. Macmillan, *Africa Emergent*, London, 1938, p. 331.

⁵ Stojan Pribichevich, *op. cit.*, p. 235.

In China, in Africa, and in Latin America, it is the same: "hunger in the winter, thirst in the summer, and flood in the fall and spring."

II

Whatever we may do, the agrarian nations are resolved that these intolerable conditions can no longer be endured. They are determined to undertake national development programmes.

To establish their basic capital facilities these nations are determined to possess their own industries, since industrialization seems to them to be the only way of lifting their standards. They have been exploited for so long that nothing will stop them. "We send our zinc ores and concentrates some three thousand miles away," the Argentine Government's Investigation Committee reports, "and get them back in the form of zinc metal for which we have to pay more than double the export value."¹

Argentine is determined to establish her leather, woollen manufacturing, and metal-working industries. Brazil must press ahead her iron and steel industry, her production of plastics, and her light factories. China has announced a programme for the rapid development of locomotives, automobiles, aircraft shipping, textiles, farm machinery, and other industries. India is determined to become the main industrial supplier of the Middle East; the Middle East nations want their own industries; Africa is demanding capital development.

Yet while the determination of these nations to develop their resources is intensified, the ability of private capital to satisfy these needs is steadily declining. In the first place, at least one-half of the capital required by the agrarian nations will yield no direct return and cannot possibly be negotiated on a commercial basis.

In the second place the agrarian nations are entirely unwilling to expose themselves again to exploitation by the private capital of industrial nations. This capital is unconcerned with the welfare of peoples; it invests only in enterprises where it may take out cheap raw materials or profit from cheap labour; it exacts its own price in political control. The agrarian nations will not again suffer this exploitation.

Thirdly, irrespective of the desires of both sides, the gulf between the agrarian nations and the private investors in the industrial nations

¹ Quoted *Economic and Financial Agency*, December 12, 1941.

is steadily growing wider. The agrarian nations can pay the interest burdens on their debts only by increasing their exports. Yet the demand for the produce of the agrarian nations is suffering a relative decline as nations grow richer and spend less on food and more on industrial products. With this decline the terms on which world trade is conducted under free conditions are moving against the agrarian nations, forcing them to export more and more for a given supply of imports. So their ability to meet the interest on the debts required for industrialization through private capital is steadily falling.

The pattern that we have lived by in the past can never cross this divide between the need of the agrarian and the industrial nations for each other. If we can create the new kind of relationship that the material development of the agrarian countries requires, then our opportunity, now that these nations have largely freed themselves from debt, is unique. If we take advantage of this clean start, the industrialization of the agrarian countries may take place in a wholly new way—of planned cities, of industries built in relation to the welfare of the workers, of unified transportation systems and a new kind of industrial ownership all within the framework of balanced economics. It will be accompanied by a time of tremendous advance in education in the agrarian countries. For as one Chinese economist states:

China after the war will have to launch a large-scale programme of educational reform with a view to preparing the vast illiterate and agricultural population for industrial development to be carried out simultaneously with a system of vocational education for the training of mechanics and skilled workers.¹

This necessary extension of education as part of the industrialization of the agrarian countries is the core of hope for the United Nations.

Yet, unlike our own economic development, if new institutions are not created capable of providing for a balanced world development of the agrarian nations, these nations will not allow their resources to corrode and decay through misuse and unemployment. They will go ahead by themselves to develop their industrial resources without recourse to outside aid.

But this would be disastrous. No amount of Government inter-

¹ H. D. Fong, *The Post-War Industrialization of China*, National Planning Association, 1942, p. 14.

vention, not even Soviet dictatorship, could prevent the growth of the worst evils of industrialization—overcrowding, the growth of slums, the forcing of workers into dark and damp factories and mines for long hours and low wages, the ruthless exploitation of the agrarian population. This book has argued that a nation which is forced to undertake industrialization out of its own resources can only do this by exploiting the great mass of its people—the farm population—to such an extent that democratic institutions must be suppressed. If this were true of Russia, with her strong basis of existing industries, then it would be doubly true of India, China, the Balkans, and of Latin America. Wherever, in the agrarian nations, the spirit of democracy has been fired by the war and is now burning brightly it will be crushed out by the sheer necessity of grinding through fifteen to twenty years of almost unendurable misery.

Should this happen, then nothing could save the United Nations. With the rise of agrarian dictatorship, democracy would be weakened in the industrial nations and world collaboration would become impossible. The unplanned growth of industries in the undeveloped regions would greatly over-extend total industrial capacity, creating heavy unemployment in the industrial nations and an unstable situation in which competitive rearmament for both agrarian and industrial nations would become the only way out. Extreme nationalism leading to war would be the inevitable result.

So one of our major objectives after this war will be to make it possible for agrarian nations to undertake the industrial development that is their primary concern without suffering the disastrous economic, social, and political concomitants of unplanned, unaided industrialization. Our aim will be to bring these countries from the fifteenth and sixteenth centuries to the late twentieth century without suffering the bleakness of the intervening years.

The national development of agrarian nations may divide itself after this war into four main parts: the provision of basic capital, the reorganization of agriculture, the construction of new industries, and the provision for health and education.

1. *The Provision of Basic Capital*

In all of Africa, the total public and private investments of Britain, France, Portugal, and Belgium combined, from 1870 to 1936, total £700,000,000, or about three and one-half times the *public* investment

in six years in the Tennessee Valley. Over half of this investment is in railways, largely to convey from Africa the products of its mines. These railways incurred heavy losses and created an unproductive debt structure that in years of depression took in interest payments one-half of the exports and one-third of the total revenues of the products of Colonial Africa.¹

And what has been true of Colonial Africa has also been true of Asia, Latin America, the Near East, and of South-Eastern Europe.

In all of these countries the first step in national development must be the provision of initial capital investment in developing harbours in building roads, docks, terminal facilities, water works, gas plants, street railways, utilities and new railroads. None of these will yield a direct return. How are they to be paid for? In Britain a move has grown since 1929, in the Colonial Development Fund, to give grants in aid to the colonies. It is suggested by Lord Hailey and others that these should be extended after the war. But in part this will be unnecessary; the British, French and Belgian empires and the Latin American republics will have accumulated substantial sterling and dollar balances at the war's end. These funds are effectively blocked by the shortages of shipping and supplies for export. Consequently some of the greatest suffering in all the war is taking place in the Belgian Congo, in the African copper belt, and in the mines of Bolivia and Chile. The funds which these countries are accumulating are in part Government, in part privately owned. If both were combined, for each nation and ploughed back in the form of capital exports from Britain and America, a good start might be made. But of course China and the occupied nations of Asia hold no such balances. For these nations and others without equal assets, we must initiate a system of low-interest, long-term loans, which will gradually be extended.

2. *The Reorganization of Agriculture*

Industrial development may be the aim of the agrarian nations, but it cannot take place without a preliminary reorganization of their agricultural systems. So long as four in every five men in India, Africa, Asia, and South-Eastern Europe scratch at the earth with sticks, hoes, and wooden ploughs there is no market which may put the fifth man to work at a machine.

In almost all of these countries the problem is the same, the land

¹ S. H. Frankel, *Capital Investment in Africa*, Oxford University Press, 1938, table 37.

lacks capital. The peasants are in the hands of the landlords and the money-lenders, who strip the land of its supplies, drive the peasants deeper in debt, and make all improvements impossible. The only way out is for the peasants to find new sources of capital: short-term loans for the purchase of seed, long-term loans for the purchase of farm equipment and stock and the improvement of farm buildings. The solution as the Dutch administrators in Java found is "not a system of cheap State loans, but a method of training the people by means of an agency which they themselves could handle to build on the foundation of their traditional institutions a new fabric of customs and ideas."¹

The solution is in rural co-operatives and collectives, and already the world is reaching towards it.

In China there are close to 150,000 rural co-operatives that cover altogether 38,000,000 Chinese.

In Mexico, the Ejido movement that began with Carranza as a movement of land distribution developed under President Cardenas into a collective pattern. Now the Ejidos are the centres of education among the peasants in Mexico.²

In India the Linlithgow Report on Agriculture, as long ago as 1928, stated:

Only through the medium of co-operative associations can the teaching of the expert be brought to the multitudes who could never be reached individually. . . . With the mass of the cultivators enlisted in the campaign for their own improvement, miracles can be effected.³

In South-Eastern Europe the Good-Neighbour Co-operatives, organised by the Peasant Party, were before 1940 the centres of education and culture of the peasants as well as their main source of economic aid.

In Africa co-operatives are being pressed by colonial reformers as a major solution for the poverty of the peasants.

But the co-operatives are only a part of the necessary reorganization of agriculture. Where, as in many regions in Africa, the system

¹ Quoted, C. P. Strickland, *Co-operation for Africa*, Oxford University Press, 1933, p. 27.

² They are analysed in E. N. Simpson, *The Ejido; Mexico's Way Out*, North Carolina University Press, 1937.

³ Royal Commission on Agriculture for India, 1928.

of land tenure is fundamentally at fault, then co-operatives themselves are no answer. Where plantations, native villages, or great feudal estates exist as national economic units, collectives are needed. Where the total land pattern is in unbalance then nationalization of the land may be the only solution.

3. *The Construction of New Industries*

Many of the new industries that are being established in the undeveloped nations are Government owned. We need to reorganize this and to encourage it. In the independent nations that are seeking to establish new industries the conditions on which loans are extended by a world organization must be that the loans can only be used for publicly owned enterprises. Where these enterprises are publicly operated, the development authority may attach to these loans the welfare clauses that we are beginning to use in Latin America.

In the former dependencies we must nationalize the basic mineral resources. The great corporations and the chartered companies have taken from Africa many times their original investments. The reason that it is necessary to bring about a transfer of Governmental authority in the dependent empires is not because the present Governments are morally wrong, but because they are unable to bring the remotest signs of a decent life to the peoples which they rule. The main reason for this is the presence in the empires of corporations that drain them of their wealth. To transfer the title to the empires and leave these corporations in existence would be a shallow solution weakening all authority.

In Northern Rhodesia, in 1937, the operating profit of the three major copper mining companies amounted to £5,000,000, of which £3,000,000 was paid out in dividends. In the same year the total revenue of Northern Rhodesia was less than £1,000,000 and the native wages paid in the mining industry totalled less than a quarter of a million pounds, or an average per miner of £13 a year. If any world authority moved into such a system without a knife in its hand it would be cut up before the eyes of the world.

But if the basic resources of the dependent empires are to be nationalized, how can our own economic empires in Latin America be tolerated? The peoples of these nations despise us as much as the natives of Northern Rhodesia despise the British. We need to conclude agreements with these nations by which their basic resources pass

back into their own hands. Without that there will be no foundation for Pan-American unity or any other kind of unity.

But if these properties are to be nationalized, must compensation be paid for them? It would be altogether ridiculous if the first act of a world development authority were to be the paying off of the private interests of the imperialist powers. The settlement must be made within the imperialist nations.

4. *The Provision for Health and Education*

We can pile all the machinery that we have into the undeveloped nations; if we are piling it on to illiterate and disease-weakened peoples it will do no good. The provision of medical care and education in these nations is as urgent as the supplying of factory equipment and farm implements.

If the basic industrial and mineral resources of the undeveloped countries are nationalized, then at once a great part of the problem of these countries—lack of revenue—will be solved. In 1935, when the copper companies of Northern Rhodesia earned £5,000,000 profits, £26,000 was spent by the Rhodesian Government on the education of Africans. A proportionate part of this £5,000,000 would establish a fair system of universal elementary education in Northern Rhodesia. In other African territories, in India, in Indonesia, and in Latin America similar systems could be established simply from the margin of exploitation.

For health services an equally great expansion may follow from the use by the Government of these funds. The initial contribution of the United Nations administration will be to see that the funds which are turned back to the former colonies are used to benefit their peoples.

III

It is of course a dangerous over-simplification to speak in this way of the same solution for Basutoland and Brazil. Yet the underlying pattern of agricultural co-operation and collectivization, of nationalization and perhaps of co-operatives for light industries, may reach over a great part of the world, as in a sense it has reached already into Britain. Above this underlying pattern there must of course be the greatest diversity in institutions.

In China the Central Government is proposing that all capital for

China's post-war industrialization be directed through the Government-owned China Reconstruction Finance Corporation. In Brazil, Chile, and in many other nations that possess strong States and national economic regions, this same kind of institution may be effective.

But in Africa, how is it possible to nationalize industry? The territories are not logically drawn in many cases; they correspond only rarely to tribal formations and their institutions are adapted largely to the rule of a minority of white settlers.

In Africa and also in Europe and the Near East a great deal of hope may be in regional authorities.

One type of regional authority might be for river valley development.

A second type of regional authority might be an international producers' and consumers' co-operative. A regional authority might for example, be created for the Central American republics. It would place under public control the present regional authority of the United Fruit Company which with its railways, warehouses, banks, control of foreign trade, and its political parties "is perhaps the most important 'government' in Central America."¹

A third type of regional authority may grow to handle road and rail and water transport. In Africa if roads and railways are to be built for purposes other than exploitation they must be related to regional systems. Between continents we shall need further authorities. Between India and the Near East; between North and South America; between India, Burma, and China, roads are being built. Between the Soviet Union and America there is the Alaska Highway that is now being developed and the further proposal to link Siberia and the Great Lakes through the Mackenzie River, the Arctic Ocean and the Lena River. There is the further proposal to make a world-encircling road of the Alaska Highway, extending one way through Soviet Asia, the other way through Latin America and Africa to meet in Europe.²

A fourth type of regional authority may finance and direct resettlement projects as part of a programme of national development. Initially the authorities might concentrate upon the provision of new homes in the Caribbean, in Brazil, in Palestine, and parts of Africa

¹ Donald W. McConnell, *Economic Trends of the New Deal in the Caribbean*, Council for Pan American Democracy, 1940, pp. 5 ff.

² R. A. Davies and A. J. Steiger, *Soviet Asia*, Dial Press, 1942, p. 365.

and the southern Pacific for the hundreds of thousands of refugees who will not be able to return to their homes in Europe. Later, authorities may be needed to provide orderly resettlement for peoples in over-crowded areas, the Ganges Valley, the plains of China, Japan, and in South-Eastern Europe where emigration remains a burning ambition.

The purpose of these regional authorities would be to provide better farms, better roads, better houses, a better world spirit. If they can bring out the underlying factors of physical and economic unity in regions, then they should result in the expression of political and cultural unity, provided of course they are democratically administered.

When these programmes have been initiated, and the new local and regional institutions established, a great part of the division between the undeveloped countries and the industrial nations will have been bridged. Yet even with this bold action some part of the unbalance will remain, certainly for a century. It is an unbalance that can only be restored through world action—that will be the task of the United Nations.

CHAPTER FIFTEEN

THE FUTURE OF FEDERAL PARTICIPATION

I

FOR Africa, Asia, and Latin America, the nationalization of industry, the growth of co-operatives, the beginning of regional development, may open the way to collaboration between nations and continents for political and social ends. For Europe these solutions are altogether inadequate and cannot be undertaken in the absence of political settlement. *Europe must federate.*

For Europe, federation is not a matter of ideals and debating unions; it is a matter of survival. For forty years Europe has been falling back in the general development of the world. Now the destruction caused by war will be the finish of Europe as a world force, and a centre of liberal ideas, unless reconstruction in Europe as well as rehabilitation is undertaken by a strong federal government.

That this must be true may be seen by the "alternatives" that are offered by "realistic" men.

The best of these men understand that Germany has shot to pieces the social structure of sovereign States in Europe. But they assume that America, the great citadel of capitalism, will restore it as we did in 1918. On this assumption, the realistic men proceed.

They understand, most of these men, that Germany intends to utterly devastate Europe before she is defeated. They know of the order of December 10, 1941, to German officers:

Preparations for the destruction of inhabited places must be effected in such a way that (a) no suspicion should arise among the civilian population prior to the announcement; (b) destruction should be started immediately by a simple stroke, at a fixed time. . . . On the proper day a specially strict watch must be kept in populated places to see that none of the civilians leave the place, especially after the announcement that it is to be destroyed.¹

The realistic men understand that in a Europe of independent States or small regional unions Germany must be weakened by more than

¹ To officers of the 512th Infantry Regiment, 293rd Division. Quoted: *Central European Observer*, May 15, 1942.

she has weakened the occupied areas. But this is difficult since in Europe today a generation of new men and women is being born whose average weight at birth is just over four pounds.

The policy of weakening Germany demands one of two alternatives.

The first, and most practical, alternative is the occupation of all of Germany by the allied forces for a period of at least fifteen years during which the German people would be forcibly denationalized and Germany's ability to make war lessened by the transformation of Germany into a primitive agrarian country.

A second school of thought, led by Lord Vansittart, sees Germany as a "butcher-bird" which must be plucked apart. Vansittart says:

If you ask my views—should brotherly love continue? after this war should we all work to rebuild Germany?—and so forth—I am quite incapable of discussing and defining such fine points. All I know is . . . that I hate their guts.

The more closely reasoning members of this group¹ foresee the dismemberment of Germany according to the Napoleonic plan—Silesia going to Poland, the Rhineland to France, Bavaria to a strong Central European State. Around the remainder of Germany, which again will be deindustrialized, a ring of big powerful States is to be formed.

This view is becoming the predominant view in many Allied Government circles. It is held by such charming men as Count Edward Raczyński, Foreign Minister of the Polish Government, who believes apparently that if Poland takes East Prussia and the Baltic States and ties herself to the Czechoslovak armaments industry she may emerge as the new France sitting on top of an inverted pyramid of military alliances in Europe.

But these theories are terribly wrong.

Firstly, this programme means starvation and dictatorship for Europe and Russia. Even before the war Germany produced close to one-half of Europe's iron and steel and an equivalent proportion of the machinery and factory equipment. With the concentration of new industries in Eastern Germany and the devastation by the Nazis of industries in the occupied areas, this proportion will be still greater at the war's end.

Just what, then, does the "deindustrialization of Germany" mean? The rolling stock, the textile machinery, and the equipment that

¹ Such as Paul Einzig, *Appeasement Before, During and After the War*, Macmillan, 1941.

Germany has seized in the occupied countries and carried to Germany may be returned when workers are ready to use it. But is the earth of Germany with its ores to be dug up and buried again in Poland? Are the rivers of Germany with their industries to be redirected to flow through Poland? Or are we to be less ambitious and transform these resources into agrarian resources, putting water buffaloes by the river banks, and cows to browse in the steel mills and coal mines?

If the movable light factories of Germany were to be transferred it would be at least five years before they could be in full operation in other countries. The Soviet Government would have to begin once more without the aid of German industry the industrialization programme that compelled her to maintain her dictatorship before. This time it will be far more costly. Europe would face also the same forced industrialization leading to dictatorship. "I guess the Germans' earth will be scorched," Lord Vansittart says. Then I guess that the hopes of democracy emerging from this war will not merely be scorched but burned to ashes.

These theories are delusive for the additional reason that no breaking up or occupation of Germany by the United Nations can denationalize the German people. Denationalization is impracticable because Hitler has succeeded in reaching the youngest German children, who certainly cannot be wiped out, and because the Germany that has wreaked itself upon the world has not been a geographical mass but an *idea*. German chauvinism has never had its roots in Germany alone. Hitler was an Austrian, Hess was born in Egypt, Darre came from the Argentine, Rosenberg was a White Russian living in Poland. The roots of German Fascism are the *idea* of Germany that lies in the minds of Germans everywhere. To break up Germany as a geographical unit would simply give to Germany as a nation a new and revolutionary meaning. To attempt to denationalize Germans in the Reich without denationalizing Germans the world over would be useless.

The policy of plucking the butcher-bird is entirely unrealistic for the further reason that no amount of plucking can prevent the feathers from growing again if the body is there and nourishment is available. And of course nourishment will be available, as it was after the last war, in the squabbles of a score of sparrows each of which wants to be a little butcher-bird. We are fighting now because Germany was able, with such terrifying ease, to cultivate dissident elements in other countries, to incite minority agitation, to stir up racial hatreds and

exploit class hatreds until there was no longer any basis for common action. Even now the wise new owls and the great new eagles that are to flap around the butcher-bird after it has been plucked are pecking at each other.

Not a single programme has yet emerged for the future of Germany that our Governments dare speak of. It has not emerged because there can be no programme for the future of Germany without a programme for the future of Europe, and that we also lack. The complete bankruptcy of any plan to occupy Germany is exposed whenever a period of more than one year is discussed. Who is to govern Germany? What is to be the armed force? What social and economic institutions are to remain? Above all, who is to own and operate German industry? The most honest proposal for the operation of German industry is that of the Director of the Polish Information Bureau, Stefan de Ropp. He states:

I would suggest the forming of mixed State-owned holding companies for the control of German heavy industry. These would be formed by the Allied Governments and the profits would go towards the servicing of issues floated for the purpose of reconstruction outside Germany. In this way German heavy industry would be under the virtual control of the Allies and thus could not be used for purposes of rearmament.¹

But this fine sounding proposal is really a proposal to return to the days of Poincaré and the French Steel Trust. For "Allied Governments" read: "Allied industrial monopolies." For "the profits of such heavy industry would go towards the servicing of issues floated for the purpose of reconstruction" read: "the profits of such heavy industry would go towards the servicing of the inflated stocks of alien industrial monopolies and the enriching of corporate directors." We are back in 1924 and the beak of the baby butcher-bird is pecking through the shell.

Europe must federate. For Europe, there is no other solution.

¹ *Free World*, Round Table No. 2, November, 1941.

II

There has been no economic and social basis for European federation in the past. What is it to be in the future?

The economic basis for European unity is clear. *If Europe is to be kept alive in the relief period its economy must be administered on a unified basis. In the reconstruction period this unified economy must be maintained.*

Never can German heavy industry be allowed to be returned to German businessmen. They above all are responsible for this terrible war.

Then why should the German-owned heavy industries of Belgium, France, and all of Europe be returned to the men who sold them to the Nazis and worked them for the Nazis? These men, like the political appeasers, staked their fortunes on a Nazi victory. If they lose, then they must be treated as the Nazis are treated. None of the peoples of Europe will recognize the claims of these collaborationists to property or to compensation. If we intervene to restore them we shall betray Europe.

But it may be that Governments will arise in Europe which will seek to nationalize their heavy industries. This may be welcomed as a first step, but it cannot suffice for long. Nationalization in Germany would simply raise the level of industrial organization and make Germany—under any Government—more to be feared for her potential power. But groups of State-owned heavy industries in Austria, Belgium, Luxemburg, France, Switzerland, Czechoslovakia and Italy would make even less sense than the private ownership of monopolies that participate in international cartels. The State ownership of these heavy industries might well throw European States into conflict with each other. Besides, ownership without freedom of action in the use of these industries for the purposes of nationalism is meaningless.

It is vital that the metallurgical industries, the mineral resources, the utilities, the shipyards, the communications and the transportation services of Europe should be kept under unified direction. These resources must be owned and operated by the Federal Government. Those whose hearts miss a beat at this thought might remember that two-thirds of Europe has never owned its own resources. It is far preferable for the peoples of Eastern and South-Eastern Europe that their resources should be owned by a Government of which they are a part, than that they should be owned by British, French, and American monopolies that exploit them.

III

When these pre-conditions of action have been taken the economic problems of Europe will fall into place. Given this unified industrial structure the resources of Europe can be applied to Europe's and the world's most urgent needs.

Within Europe an urgent task will be the reintegration of Eastern and Western Europe. Germany has compelled Eastern Europe to produce agricultural and raw materials alone for export, and she has forced the Eastern European peasants to produce the grains and raw material crops for which they are least suited. The reintegration of Western and Eastern Europe demands the ending of this exploitation and the diversification of Eastern European agriculture. It demands further the return by Germany of the plant and equipment which she has taken from Europe, and the provision by German industry in particular of the capital needs of the undeveloped areas of Europe.

A second task will be the integration of Europe and Russia. It demands the provision by German industry in particular of the capital required for the reconstruction of the Leningrad industrial area, and of White Russia and the Ukraine. For like China, Russia will scarcely be willing to bring all of her industry back from the Urals as her workers return. In the provision of Russian needs the natural relationship of German industry and Russian development, that has always been thwarted, may be established.

A third task will be the integration of Continental Europe and Britain. Britain has moved far from the attitude of Neville Chamberlain who asserted that it was "quite natural that Germany should dominate Eastern and South-Eastern Europe." Germany will be entirely unable to supply a great part of Eastern Europe's and Russia's needs: needs for coal, for tin plate, for copper products and consumers' durable goods. These Britain must supply, and Britain must also provide an important market for the diversified farm products of the Balkans. This does not mean, of course, that Britain must become a continental instead of an overseas power. Britain may well undertake a dual responsibility in the post-war years.

These realignments will prepare the way for the unification of Europe. By raising the standards of the Eastern European peasant they will make free trade within Europe and the unity of all of Europe's farm population possible. By providing for the full employment of the industries of Western Europe, the solidarity of Western Europe

and Eastern Europe will be established. By bringing Russia and Britain closer to Europe the foundation for an entirely new structure of security for Europe will be laid.

Yet for Europe as a whole precisely the same conditions will arise after this war as arose in Russia during her industrialization programme. Europe will be utterly impoverished after this war. Her industries will be ruined. Her cities will be rubble. Her farm population will be disorganized by migration, by malnutrition, and by death in battle. Millions of Europeans will possess permanent neuroses from their lives as slaves in German prison camps. In addition Europe will have lost a main source of wealth; her income from past investment in her overseas possessions. These losses will mean dislocation in Europe, including Britain. If Europe is to export enough to pay for her necessary imports of food, clothing, and industrial raw materials alone, she will not possess the additional industrial resources to devote to internal reconstruction and capital development. Yet Europe must rebuild her cities and her industries if she is to survive at all. If she is forced to do this with her own resources, then she must drive down her standards of living to a point at which democratic institutions cannot function. Even in Britain democracy may be endangered. The entire world would be threatened by this development, both through the incitement to dictatorship in other countries and in the development of national rivalries stimulated by the forcing of exports and resultant trade wars.

Europe must obtain grains, meat, coffee, hides, and fertilizer from Latin America; it must obtain grain from Canada; wool from Australia; cotton, fuel, machinery, and other products from the United States. It must in part pay for these imports with its own products—industrial manufactures, textiles, consumers durable goods. Yet in all of these the United States is also an exporter, and our technical superiority will make it hard for Europe to compete with us.

The final task in the achievement of European unity on which the federation can be built is the integration of Europe and the world. Here, as in the case of Asia, Africa, and Latin America, causes of unbalance will lie in deeper veins in the rock of world peace than any one country alone can dig. The integration of Europe with the world can only be brought about through the United Nations.

IV

When the economic foundations of European unity are established, the social problems of Europe will fall into their place.

Europe must place its heavy industries under a Federal Government. This action may be followed by the creation of a European trade union movement in which since there is one employer for all mines, all heavy mills and factories, all shipyards, all railways and communications, and all utilities, there should also be one union to represent the workers in each of these industrial groupings. These European unions will provide the basis for a united trade union structure that will be the greatest source of European solidarity.

The second source of European solidarity will be the peasants. Had it not been for the Hungarian bourgeoisie the Green International might have unified Central Europe and the Balkans twenty years ago. Given the reorganization of Eastern European agriculture, the Green International may be extended to include the co-operatives of all of Europe and to place beside the trade union movement a second massive pillar of solidarity.

A third source of European solidarity will be the unification of the professional services, the doctors, teachers, writers, and editors, and other middle-class groups.

The unification of these groups in Europe will provide a strong social basis for European unity.

V

When the social foundations of European unity are established the administrative problems of Europe will fall into place.

The most important principle in any administrative structure of a European federation will be that the central administration will do only what cannot be done locally. The problem of overcentralization has been an important issue in European States. The growth of federal government and the simultaneous decentralization of administration will be entirely in accordance with the needs of each nation in Europe. As in the case of other continents, regional authorities have an obvious function in Europe in the development of the power that flows from the great central range of the Alps into France, Germany, Italy, and Austria, from the Carpathian rivers that flow through Central and Eastern Europe; from the Danube and the Balkan rivers that flow

into the Adriatic, the Aegean and the Black Sea. Where a region such as the Rhineland exists, in which the basic resources are complementary to each other, another kind of regional authority might be established. To supplement these industrial groupings are essentially problems of detail.

VI

When the administrative structure of Europe is settled, then the solution of the national problem will fall into place.

Of course nations in Europe must have their own capitals and their own Governments just as our States have their Governments. The administration of local finances, the organization of the local labour supply, the direction of local services, may remain entirely in the control of these Governments. Education may be in their control, subject to federal supervision, for cultural expression does not mean cultural autonomy. It does not mean that a German civil service can again begin the teaching of Fichte any more than French teachers can harp on the past glories of the French army. In Russia, where great stress is placed on cultural development as a solution to the national problem, the Central Commissariat of Nationalities determines what elements in a culture shall be encouraged and what discarded. The control of the national schools and courts is kept by the State to be advised only by the Soviet of Nationalities and the local national councils.

Given this structure, then, the way is open for a full development of national expression. Many States in Europe will resemble parts of Russia in their lack of a national culture when this war ends. Of White Russia one Soviet writer says humorously, that it "had 3,000 Greek Orthodox churches, 704 synagogues, 113 Roman Catholic churches, and 5,000 licensed saloons, but not a single university or college."¹ This will be true also in great parts of Europe. For these peoples the development of national culture is a precondition of the growth of a European culture. Again, Stalin maintained in 1925:

The process of assimilation of certain nationalities does not preclude but rather presupposes the opposite process of reinforcement and development of all nationalities, for the partial process of assimilation is a result of the general process of development of nationalities.²

¹ Janka Kupala, *Cultural Progress among the Non-Russian Nationalities of the U.S.S.R.*, Moscow, 1939.

² *Ibid.*, p. 197.

In Europe the sense of the tenuousness of their cultural traditions that obsesses small nations may remain long after this war. It may require in Europe some means of equalizing the opportunities of great and small nationalities such as an assembly of nationalities in which each is equally represented.

But does this development of nationalities mean that a European nation will have the right to secede from the federation? This right the Russians first insisted upon as a means of demonstrating to oppressed peoples the hollowness of the Allied conception of self-determination. Soon—and quite rightly—it also became hollow in the Soviet Union. If the federation that is established in Europe is a federation dominated by the great powers and run for their benefit, then the right will remain a moral right, whether it is recognized or not. But if the European federation is democratic and representative, then there can be no right of secession. Nor can there be any right for a European State to exist outside of the federation if its Government is hostile and its presence a source of danger. We fought a bloody war in America to sustain the right of the Union to deny to one of its States the right to secede. If after this war, General Mannerheim or Generalissimo Francisco Franco or any other Fascist dictator should stagger through Europe's time of liberation with the aid of the British and American Governments, then a European federation will be acting in the best tradition of the United States if by armed force or blockade it frees the peoples of these countries from their oppressors.

VII

When all of these conditions of European unity are met, then the problem of the legislative and judicial institutions of Europe federation will remain.

And that problem, surely, can be left to the peoples of Europe to solve for themselves.

CHAPTER SIXTEEN

THE FUTURE OF THE UNITED NATIONS

IN this time of war the binding force of the United Nations is the necessity of united action for the defeat of the Axis. Attacks upon our allies are treasonable. Failure to co-operate with our allies may cost us the war.

In the years after the armistice these underpinnings which now support the scaffolding of the United Nations will be gone. In their place will be simply the necessity of administering a programme of relief and rehabilitation on a world basis. If our world structure holds up in these years then as the relief period grows into the reconstruction period, the purposes of rehabilitation will shade into the permanent purposes of world organization, the purposes of economic development, of social progress, of freedom, of peace.

I. THE FUTURE OF THE UNITED NATIONS

The United Nations and Economic Development

The first essential of world unity is that the economic balance of the world be established—balance, not as a static situation in which the trade of each country is in balance, but in the sense that all nations are moving forward in balance.

Today the world is in great unbalance—so great that it may not move forward at all unless balance is restored.

There is in the most immediate sense unbalance in the distortion of international monetary reserves.

There is cumulative unbalance in the movement of the terms of trade against the primary producing countries.

There is cumulative unbalance in the chronic inability of America to take from the world as much as the world wants to take from us.

These conditions of unbalance are utterly beyond power of any system of the past to put right.

The cumulative unbalance of the agrarian countries means simply that however much they force their exports on the world they cannot increase their imports sufficiently to raise themselves from their present misery.

The cumulative unbalance in the trade of the United States is expressed by an American economist in these terms:

The United States could import more finished goods at any level of production, can import more raw materials at higher levels of production, and might import more agricultural products to the extent it succeeds in moving factors of production already engaged in agriculture into industry. But these increased imports will raise money wages abroad and will produce increased demands for American products in excess of the original increases in American imports. The chronic shortage of dollars would remain, albeit at higher levels of real income throughout the world, and the United States would continue to pile up surpluses.¹

In an unregulated world, equality means the right of the strong to dominate the weak. If in the future we again demand the right to beat down other nations by our technical superiority under guise of pious talk about free trade, then we shall arouse the world in arms against us. In the absence of world control Britain, for all the assurances we wrung from her under pressure of her desperate plight in 1940, is certain to return to Empire preference, tariffs, and exchange control. Other nations will do the same. We shall then follow suit. All nations will force their exports, all will fight each other, and, led by America, all will carry trade, and the hopes of world unity with it, down to destruction. Unemployment will reappear in the industrial nations; the peasant will continue to live in misery; the war will have yielded nothing.

No amount of bi-lateralism and monetary finagling can paper over the canyons in the surface of world unity that the unequal development of capitalism has left us. The most immediate short-term adjustment requires that there should be created within the economic structure of the United Nations a stabilization fund in which the short-term debts of countries are balanced. But beyond this three more fundamental solutions are required.

1. The Provision of Capital

The necessity of providing capital for the undeveloped nations has been described already. It requires what Milo Perkins calls the "bold and daring use of long-term credits." But if these credits are granted,

¹ Charles Kindelberger, from an unpublished manuscript.

even between Governments, this will not be sufficient. *For the imbalance of the world does not lie between Governments or between States or even between continents; it lies in the absence of a world pattern.* Europe needs the primary produce of Latin America; Latin America wants the capital of the United States; the United States wants little from Latin America. *To move world trade the flow of world savings must be directed by a world authority to the regions of the world which require development.*

China has established her China Reconstruction Finance Corporation like our own R.F.C. In every country a similar Government organization may be established. With these agencies and the regional authorities, a United Nations Reconstruction Finance Corporation may work, planning and executing the development programmes.

2. *The Control of the Terms of Trade*

The provision of capital through a world organization is a first step, but it is still insufficient. A great part of the capital development will not yield direct returns. In the case of Africa, South-Eastern Europe, and Latin America a great deal of the capital development will be the creation in these countries of diversified agriculture with more stress on subsistence. It may even reduce their exportable surplus which is their only form of debt repayment. In the same way China, like all of Asia, wants capital for the development of the home market. China wants sausage-casing machines, for example, but we have no need for Chinese sausage casings. With the development of synthetics in the West, Asia's ability to export its primary produce will further decline. Yet Asia needs capital.

Britain now favours capital grants to her colonies. Rita Hinden suggests that:

The colonies, like growing daughters, must be provided with dowries to set up their new households. . . . They must be endowed with a complete foundation of public services on which to build their economic life.¹

But the mother who has found it hard in the past to bring the girls up will not have much left over after the war to provide the dowries. Papa—if America is papa—has not yet recognized his daughters and is a notorious skinflint.

¹ Rita Hinden, *op. cit.*, p. 194.

The whole idea of the terms of trade between the primary producing countries and the industrial countries being a natural force is an utterly false idea. The terms of trade are against Malaya; of course. It "costs" £12 to £20 to produce a ton of tin in Malaya. It costs £60 to £180 a ton to ship the tin across the world to Britain and turn it into tin plate. We pay £250 to £330 a ton for it. What do we mean by "cost" and "terms of trade"? We mean that at £12 a ton a half-naked propertyless Malayan can be driven into draining his country of its wealth for a few cents a day. And we mean precisely this when we speak of the "cost" of American-owned copper and tin, and American-owned oil in Latin America and the Middle East.

But given the nationalization of the mineral and raw material sources of the primary producing nations, we can for the first time undertake to bring the world into balance. If the Chilean Government should charge the American people what the Anaconda Copper Company has been charging them for Chilean copper, this in itself will substantially alter the terms of trade in Chile's favour. But the possibility of the exploitation by a great nation of a small nation will remain. In America we have found a way out of this exploitation. We take a year in which the relationship of primary producers—in this case the farmers—and the rest of the nation was in balance; then we re-establish this relationship. Why should we not establish a parity relationship between primary producing and industrial nations? Only, given nationalization of the primary resources, we need not be so crude as to establish it by rebates. We can consciously determine what the terms of trade will be by fixing the price of primary products through a world association.

Again those whose hearts miss a beat might remember that the price of these products has been fixed for some years now by world organizations in the form of international cartels. It is now being fixed by public authority in the World Wheat Agreement. But in isolation the Agreement is of limited value. For the 20 per cent of world trade that the cartels moved at their own prices, we will need world control in the form of a United Nations Commodity Corporation. It should, like the Wheat Council, be representative of producers and consumers. It should co-ordinate the work of United Nations councils for each major division of primary production. The staff of this agency can, of course, be developed from the United Nations Farm Board and the United Nations Raw Materials Board.

3. *The Planning of World Development*

The aggressive desire for industrialization that years of frustration has created in the primary producing nations will, if we are not careful, lead to serious dislocation, wastage, and loss. The first step in world development must be to recognize the right of these countries to national development; the second stage, when the balance between primary and secondary production has been established, will be to prevent the breakdown of international specialization and overdevelopment of certain industries through the unco-ordinated rush of industrialization that holds self-sufficiency as its objectives. This requires the creation of a representative United Nations Resources Commission to guide the financial course of world capital development. Again continuity would be provided by the transformation of the United Nations Production and Resources Board into this resources commission.

Given this will and these institutions, the world may move forward in an altogether new balance. A large part of world trade may move between Governments, for many of the primary producing nations may handle all their trade through Government corporations. Between industrial nations a new pattern is growing in the war in the United Kingdom Commercial Corporation and the United States Commercial Company. Slowly the world may move towards planned trade; then, if all nations are committed to full employment, there will be the beginnings of world mobilization of resources.

The United Nations and Social Progress

It is not enough certainly to insist upon the nationalization of mineral resources, and to raise the price of these resources to a parity relationship. In a State such as the Union of South Africa, which is a white dictatorship, the net result of these changes might simply be the enormous enrichment of the whites and the continued misery of the Negroes. It would simply intensify the conflicts within the Union.

Ultimately the United Nations may become a Federal Government, which undertakes the same programme of equalization of medical services, education, social security, and nutrition for all of its citizens as our Federal Government must undertake for American citizens when this war ends.

Meanwhile we can only work towards this programme by closely

relating all programmes of national development to the welfare of the people concerned. This means that all loans will be conditional on the provision by the borrowing country of guarantees concerning minimum wages, satisfactory conditions of work, welfare services, and local housing developments, *and the recognition of the right of all workers to collective bargaining.*

Clearly the enforcement of these rights demands the creation of a United Nations staff, drawn from all its members. But it must be a staff of more than inspectors. The staff must include engineers to aid in the capital development of the undeveloped nations. It must include city planners to bring a new kind of urban development to the agrarian nations. It must include nutritionists and doctors to organize health services in the undeveloped nations, and in particular in the former colonies. This staff, the staff of the League Secretariat extended a thousand times, will be the first way in which the meaning of the United Nations is brought home to all men.

The United Nations and Freedom

Never can it be overemphasized that the United Nations must be a fighting force committed in thought and action to militant libertarian and equalitarian principles. First it must appear as the initiator in the freeing of the former colonies; secondly, it must appear as an organization among whose members freedom is universally practised; then it may appear as the leader of world freedom.

The Liberation of the Former Colonies. One expert on Africa writes of the African peoples:

I have yet to learn of one of them . . . who favours the idea of being governed by a committee of an international authority. . . . Clearly the colonies as they are could have no voice in its inception and without doubt they feel that one power is more easily dealt with and offers more prospect of real partnership. They would rather themselves bear any ills they suffer at the hands of a national ruler than have to wring their steps to freedom from a whole group. The international committee, as they fear, and for all they could do against such a combination, might even become a formidable instrument for their economic exploitation in the interests of Europe or other parts of the world.¹

¹ W. M. Macmillan, *Democratise the Empire!*, Universal Distributors, 1941, pp. 50-51.

Of course this is a real danger. If we were to advance along the lines now proposed by 90 per cent of post-war planners with League of Nations fixations and dump all the former colonies under a high-sounding Mandates Commission, then certainly the natives of these colonies would have good grounds for fear.

Instead, we have to break away entirely from all previous traditions of the little brown brothers and the mother countries and see these nations simply as part of the general programme of national development.

The civil service of the United Nations could assist in the development of Indonesia, of an African federation, of Korea, just as it must assist in the development of China, Brazil, and Turkey. It could assist in four special ways in the former empires: to act in an administrative rather than an advisory capacity in operating mines and railways until local administrators can be trained; to aid in the development of education; to aid in the establishment of new executive, judicial, and parliamentary institutions, since the old are usually based on a regressive pattern; and to maintain a peaceful relationship between the natives and the white settlers while the latter are being transformed either into technical representatives of the United Nations with no local privileges or citizens of the States with the same privileges as the native majorities. To put a time limit on the length of this total transformation is probably unrealistic; it may be wise as an act of faith; it may be nothing more than the residual prejudice of men who have reason to fear the good intentions of present imperialist powers.

The Redefinition of Freedom. Secondly, the United Nations must determine what is the essential content of freedom in order that it may represent a working philosophy.

The first requirement of the United Nations is that America and Britain should be a little less arrogant in assuming that their forms of political institutions are the acid test of freedom the world over. On the contrary, our institutions are an expression of the course of our historical development and they are no more related to the needs of China and Russia than is our history related to the history of these nations.

We have in Western democracy something unutterably precious in the spirit of tolerance. But before a world pattern to hold this spirit can be constructed we need to separate the dross from the essence in our institutions and combine the essence with the essential goodness in the institutions of others of the United Nations.

We need to be more clear as to what we mean by one essential of freedom—the protection of minorities. In contrast to communist Russia, for example, America has ruthlessly denationalized her racial minorities but has stressed the civil liberties of minorities formed for social and political and religious reasons. Both Russia and we have contributions to make towards a higher pattern.

We need also to be clearer about the meaning of freedom of thought and speech. Clearly it is of crucial importance to freedom that there should be ready access to knowledge. Within certain limits the democracies have achieved this condition. On the other hand freedom of speech does not mean a great deal to a miner working at a coal face nine hours a day. In stressing the importance of free elections we have given the world a very great objective. Yet of the six general elections that were held in Britain between 1919 and 1940 it cannot be said that in more than two were the real issues of the time placed before the people. In general we have come far too often to think of free elections as the recourse of a free people *against* their Government. In contrast Russia has stressed the necessity of popular participation in Government. Again we may all learn from each other.

We need to place the significance of the party system in historical perspective. The democracies have provided an immense contribution to freedom in balancing Government between a strong executive and an independent judiciary and legislature. In this legislature, a one-party system cannot be truly independent. Yet political parties are of significance only because there are groups within the democracies which tend to be in permanent conflict with each other. Our objective is to abolish enduring conflicts and so to remove the necessity of permanent political groupings. Until that time parties are of course the collective rights of cohesive groups. Yet in the future these groups may find other ways of expression, and their emphasis again must be changed from protection to participation. In this we need to recognize that for Russia and Eastern Europe and for all peoples without well-established cultural traditions, soviets may represent a system of democracy that is far closer to the mass of the people and far more able to interpret their spirit than our own parliamentary forms of democracy.

British common law and our own Bill of Rights are the essence of our contribution to a single pattern of freedom. The contribution of Russia to the same pattern is to place beside our own rights for the

protection of individuals the conception of freedom in an affirmative sense as the presence of opportunity. The contribution of Russia and China to a world pattern for the United Nations is to restore the equalitarian nature of a good society beside the libertarian aspect that the richness of our resources has enabled us to stress.

There is a basis for agreement now that did not exist before this war. It is in the growth of the community participation that war has compelled in the democracies, and in the recognition of minority rights that the war has brought in Russia. If at the end of the war it is necessary to limit the United Nations, then common principles can be found which will contain the essential worth in our democracies.

The United Nations and Peace

The search for peace is the last great search to which the United Nations must give expression.

Those who refuse to face the necessity of social change rush off into discussions of the minutest detail concerning the armed forces that will be permitted to each member of the United Nations and the way in which the officers of the world police force will be indoctrinated. Before the discussions get very far it becomes obvious that the world is to be the old world. The world police force—if it could ever exist—is to be the kind of police force that Metternich proposed at the Congress of Vienna—to protect property and suppress popular movements.

If we want to keep the peace, then our armed forces are within our own nations. They are happy citizens, mobilized in the great task of "keeping the whole world at work in all-out production for a century to come." If we want to keep the peace, then our international police force is the civil service of the United Nations warring ceaselessly on malnutrition, overcrowding, disease, and all the conditions that set man against man.

Certainly there is danger of conflict in a world that is moving forwards. One danger will arise in the revolt of reaction all over the world—the revolt of reaction in Latin America and Asia to a programme of democratic development and land reform; the revolt of reaction in China and India where, due to our stubbornness, there is growing danger of partition and aggressive nationalism; the revolt of reaction in Africa where already strong elements of Fascism are present in Afrikanerdom, and where if the issue of nationalization of resources and the growth of native democracy is pressed by the United

Nations, as it must be, there is a real threat of a unified Fascist revolt of the white settlers. There are dangers in moving forward, but there are far greater dangers of war if we fail to move forward fast enough.

There is the danger of a third world war with Germany which may follow the inability of Europe to assimilate German culture in a pacific European federation.

There is the far greater danger of a world civil war between Russia and the United States. For the next hundred years the prevention of such a civil war may be a major objective of the United Nations.

It was, after all, fourscore and seven years between the creation of the United States and the Gettysburg Address. We possessed, in most of that time, one armed force, one principal language, one centre of political institutions. Beneath these superficial signs of unity two social systems developed that could not exist side by side. Both sought to extend their patterns over the growing West, and in the West violent local conflicts took place where both systems met. The antagonisms grew into the spirit of the "irrepressible conflict" until secession brought on civil war.

There is no common language of the United Nations; no common ground to stand on; no historical traditions yet to act as a binding force. For at least a century after this war is over, our main objective will be to prevent civil war in our world society. We shall not prevent it by one armed force, or one assembly, or one judiciary with its carefully prepared body of law and its constitution however fine and clear. If once our social systems develop irreconcilable antagonisms then the "irrepressible conflict" must come. Our only assurance against a final world war will be to bring our social systems into harmony with each other. This is Russia's task; it is Britain's task; it is Europe's task; it is China's task and Japan's; and it is our task. Everywhere in the world for the next century it must be the right and the duty of all peoples to bring their social systems into the essential pattern that is demanded by world unity. It will be the constitutional right and the constitutional duty of those who live under constitutions; it will be the revolutionary right and the revolutionary duty of those to whom constitutions are denied.

If once we start from this understanding, then the problems of a world armed force become essentially simple.

If we need a United Nations navy, then we may possess it by keeping a world pool of merchant ships in the control of the United Nations.

We shall possess a pool of perhaps 40,000,000 tons of shipping, a large part of which can be fitted out with auxiliary guns if need be; certainly it will be strong enough to defeat any navy that could be built overnight without the knowledge of the United Nations.

If we need a United Nations army, then we may possess it by giving auxiliary training to the students who will attend United Nations universities the world over.

If we need a United Nations air force, then we must place all major air transport lines under the direction of the United Nations. The first beginnings of such an air force were made when the French Government presented to the Disarmament Conference in 1932 a proposal for international air transport unions. They were to be organized for continents, financed and controlled by an assembly of the member States, and they were to be subject to requisition by the League of Nations for use in war. Since 1932 air transport has developed in regional patterns but under the domination of the great powers. It must be brought within the United Nations as the principal weapon of a world force.

Does this mean that we must scrap our battleships, our bombers, our tanks, and turn the metal into plowshares? Good heavens, no!

II. THE WORLD OF THE UNITED NATIONS

This book has been written as a protest against the idea that calling a group of poverty-stricken islands an Indonesian Union will ease their poverty; the idea that restoring a dead and decayed social system in Europe in the name of a European federation will bring that system to life; the idea that tying a blue ribbon labelled "United Nations" around a sick and confused world will heal the sickness and end the confusion. It has been written in protest against the kind of mind that plays chess with the world, moving people as inert pawns into new patterns. It has been written as a protest against the arrogance of men who construct detailed and everlasting patterns for the world that are shabby reflections of our own poor beginnings towards a free society.

In the Old Testament the leaders of a small band of harassed men and women who have to live together set down the kind of morals that men can live by.

Today we are a band of nations, thrown together by war, searching for some way in which we can live together. But before we can

write our testament we have got to find the conditions in which morality can flourish.

When this war ends our band may be driven apart in bitterness and blind denial of the trial through which we have passed together. Or it may straggle on without spirit until it falls apart under the first hard blow. But if the kind of changes which are dimly expressed in this book are needed to hold our band together, then certainly the young men in the battle fronts would not find these changes too high a price, if through them meaning can be brought from this war.

Nothing has been written in this book about the way in which a political settlement will be reached after this war. The whole purpose of the book is to suggest that change should come naturally and through regional determination within the general framework of the United Nations rather than through one grandiose conference in which the pawns are reshuffled.

Nothing has been written of the way in which each nation must commit itself to world authority. Again the purpose of this book is to suggest that world organization cannot be imposed from above as the League was, but must derive its political expression from the underlying forms of economic and social collaboration. Already these forms of collaboration are in existence. When the war ends it may well be that we shall recognize our responsibility as a force for democracy in the world, not in a treaty which puts the future of world organization at stake in a single act, but in a succession of normal measures. The President may submit to the Senate for ratification a system of regional pacts which must be initiated during the war. The President may submit to Congress, for a majority vote, appropriations for revolving funds for the United Nations Reconstruction Finance Corporation to commit the United States to a world lending policy. A similar measure may aid in financing the creation of a United Nations Shipping Pool and a United Nations Air Transport Service. As part of our collaboration in this service, our production of civilian aircraft would have to be allotted to us. It would be in relation to the production of other members of the United Nations and this would in fact be the most effective means for the control of armaments, since within a few years our inventories of existing planes and ships will become completely obsolete.

Nothing has been written in this book about the sanctions which may be used by the United Nations. For it seems to me that here again

the problem is essentially a simple one. Given a world organization such as the League of Nations in which the main purpose of association is defence against aggression, then sanctions become immensely important. Each word in each sentence in each clause of the covenant must be closed to doubt by a great deal of learned jousting. But in a world organization whose purpose is economic and social collaboration the main form of sanction is obvious. If the United Nations wishes to offer aggressive leadership, then although all of its members may trade on current account with other nations, no non-member of the United Nations will be able to participate in its commodity corporations or to obtain funds from its Reconstruction Finance Corporation. It will not be able—if further acts are necessary—to use the United Nations Shipping Pool or the Air Transport Service. It will be shut off from the entire fabric of world society, and this, if the society is really far-reaching, will be crippling for any nation.

No danger will be fatal so long as the United Nations lives by the imponderables and maintains its character as a militant liberal force. The conditions on which nations may join in may be these: that they must observe its basic democratic forms and must not deny these forms to others; that they must subordinate their armed forces to the United Nations armed force; that their social system must be in a friendly relation to those of the United Nations members; and that they must teach the values of humanism and world unity in their schools. Where nations vary in their observance of these conditions, then clearly the extent to which they may participate in the economic and social life of the United Nations may be held flexible.

Nothing has been said in this book about the permanent institutions of the United Nations. The necessity for these institutions is of course clear. It is essential that all disputes between the United Nations should be referred to one judiciary body for arbitration. It is essential that each member of the United Nations should undertake to come to the aid of any other member that is threatened by aggression or rebellion. Therefore a Supreme Court and an assembly of the United Nations must be created. But beyond this what can be said? How can we think of the form of our world legislature until we know the kind of problems which it will face? How can we think of the nature of our world judiciary in the absence of any body of law which is not derived from the particular property relations of the years before the war? To plan these forms now is contrary to the spirit of the United Nations, for

when its permanent institutions emerge, they must be the result of the merging of all of our ways of thinking and not an extension of an American pattern of federation. We shall need, from the earliest moment of the peace, a general delegation of powers and a general acceptance of responsibilities. Yet if the growth of a world consciousness should swiftly evolve, it may be nineteen years, as it was in the Soviet Union, before we are ready to prepare a permanent constitution. If this consciousness should evolve more slowly it would be a mistake to force the rate of its development—for, *behind our present inability to develop the United Nations in wartime lies a profound contradiction in world government that is part of the total unbalance of our time.*

It is this: *that nationalism is the limiting factor in world organization, and yet the only way in which world organization may grow is through the strengthening of national states.*

In the industrial democracies, social crisis has been the barrier to world collaboration. But this social crisis requires the radical extension of the functions of the national governments.

In the agrarian nations, poverty and exploitation have been the barrier to world collaboration. But this poverty and exploitation can be ended only by the emergence of strong national states owning industrial resources and directing the flow of investment and external trade.

In Europe conflicting sovereignties and the chauvinism of a dying ruling class have been the barrier to world collaboration. But Europe can cleanse itself of these evils only by raising a powerful intermediary between itself and world government.

War, in addition, while it summons world organization into being, summons also a new burst of nationalism as nations seek to maintain and develop their unity as a means of survival.

This profound contradiction does not mean that world government is impossible for many years. On the contrary, by creating the underlying basis for co-operation the redirection of national development in all countries will lead to a joining of nations. Yet for the next five generations this contradiction means that we must look below Governments to the drawing together of the forms of society in which nations live.

For the past seventy years the slowly maturing crisis of capitalism has pulled the earth apart in its social systems. In Russia, where the division has been most extreme, the revolution began in a strong spirit of liberation and democracy. When it was isolated from the West and

starved of capital the division grew. One authority writes of Soviet Russia:

The dictatorship forced economic development. It was impelled to adopt such tempos by its urge to strengthen the Soviet order and secure its capacity for national defence. The growth of production . . . at the cost of starvation among the people and at the cost of failure to satisfy the most vital daily needs of a population which had just gone through a revolution could be accomplished only under a dictatorship. That is the historical explanation of the dictatorship.¹

In the years before the war the awareness of this conflict between the regressive nature of this dictatorship and the impetus of the Socialist revolution was present in the Soviet leaders. But the threat of war demanded the intensification of a rigid discipline. Yet to think of Russia as a fixed system incapable of moving towards a more libertarian Government would be entirely wrong. Yugow continues in writing of Russia:

We are dealing, not with a new, definitely formed order, but with a political economic system in a state of transition. A system of State economy prevails in the U.S.S.R. This system has not yet crystallized either as a system of the Socialist order or as a capitalist system or as a new order because economy, classes, the relations between the classes and production have not as yet assumed definite forms.²

If in the future we isolate Russia as we have isolated her in the past and even during this war, then not only will the growth of political democracy be impossible in Russia. The earth will continue to pull apart and we will be threatened with war.

But given close economic and social collaboration between Russia and the West the same kind of growth may take place in Russia as must take place in the democracies.

In both systems, full mobilization will be the purpose of the State. The Russian constitution guarantees to Russian workers the right to full employment. Our charter must guarantee to our workers the same right. In both systems the means of enforcing this right should be

¹ A. Yugow, *Russia's Economic Front for War and Peace*, Harper, 1942, p. 255.

² *Ibid.*, p. 26.

through State planning in which the techniques already used are often the same.

In the organization of agriculture the same underlying similarity may emerge. In the agrarian democracies co-operatives are needed. In Russia, Yugow continues, "Free Kolkhozes [collective farms not under direct State supervision] and the restoration to the Kolkhozes and individual peasants of the means of production and the right of the peasants to dispose of the products of their toil—these are the indispensable conditions for the restoration of the peasant's good will towards the revolution."¹

In the growth of democracy there may be the same kind of coming together through the common experience of the need of war in producing greater *participation* in the state in the democracies, and greater *liberties* under the State in Russia.

Is all of this a shadow, so long as in the democracies a class of employers remains with its political force, its social organizations, and its body of ideas that dominate the press, the schools, the legislature and the judiciary, the Government itself? This class in Britain and America has been brought under control, but often the control is self-directing. Yet in Britain there is a growing move to nationalize Britain's basic industries, and in America a great part of the economy must be operated by Government from now on.

Would the barrier of ideology remain? At the heart of the Communist movement which has carried itself to power in Russia lies the assertion of Engels:

Society cannot itself be free unless every individual is free. The old mode of production must be revolutionized from top to bottom and in particular the former division of labour must disappear. Its place must be taken by an organization of production in which, on the one hand, productive labour instead of being a means to the subjection of men will become a means of their emancipation by giving each individual the opportunity to direct and exercise all his faculties, physical and mental, in all directions; . . . in which therefore productive labour will become a pleasure instead of a burden.²

¹ A. Yugow, *Russia's Economic Front for War and Peace*, Harper, 1942, p. 251.

² Friedrich Engels, *Herr Eugen Dühring's Revolution in Science (Anti-Dühring)*, International Publishers, 1939, p. 320.

This end result is surely also our aim.

If then this rhythm of world progress becomes again the drawing together of societies, we can turn to the real tasks that lie before us: the realization of the promise of science; the liberation of art and intellectual life; the finding of a new unit that is neither town nor country, but community; to end the antithesis of city and rural life that has obsessed men from Fourier and Robert Owen on. Our small band of nations will become a lasting faith.

This time is winter; we move in darkness. But if we fight now for the future, then soon the wavering flames of the few tiny candles that we have lit will pale in the growing light of morning.

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